



Daily Report

East Asia

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Japan

'Sources': Sanctions Unlikely To Affect Japan

OW1606122094 Tokyo KYODO in English 1215 GMT
16 Jun 94

[Text] Tokyo, June 16 KYODO—The first phase of sanctions proposed by the United States against North Korea over its nuclear recalcitrance is unlikely to have much effect on Japan, well-placed sources predicted Thursday [16 June].

Japan has indicated that it supports in principle Washington's draft resolution to be submitted to the UN Security Council in response to North Korea's refusal to permit inspections of its nuclear facilities.

The sources pointed out, however, that the first phase of sanctions, including bans on arms trade and development assistance, would have only a minimal effect on Japan. The first phase of proposed sanctions, still subject to change, includes a ban on nonpassenger flights into North Korea, an embargo on technical and scientific cooperation, and participation in sports events, cultural, scientific, educational and diplomatic exchanges. Local governments bordering on the Sea of Japan which currently have exchanges with North Korea may be asked to exercise restraint in their relations if sanctions are adopted, the sources said.

With the absence of diplomatic relations between Tokyo and Pyongyang, bilateral cultural exchanges have been limited to 100 or so North Koreans coming to Japan annually. A Justice Ministry survey reveals that some 16,000 North Koreans entered Japan in 1992, but 90 percent of these North Korean nationals were residents of Japan returning from a trip overseas. Only 756 of the North Koreans coming to Japan entered the country as business-related people or tourists with 51 entering the country on cultural or sports exchanges.

The second phase of sanctions would more closely affect Japan since it would be asked to close down the flow of billions of yen in hard currency in support that Korean residents of Japan send to their relatives in North Korea. North Korea has warned that any sanctions imposed by the United Nations would be considered a declaration of war and has said Japan would not be able to evade its "deserved punishment."

Fujii: DPRK Sanction Issue at 'Delicate Stage'

OW1706014194 Tokyo KYODO in English 0108 GMT
17 Jun 94

[Text] Tokyo, June 17 KYODO—The issue of whether to impose economic sanctions on North Korea has reached a "delicate" stage with recent new developments, Finance Minister Hirohisa Fujii said Friday [17 June].

He said the U.S.-proposed halting of remittances to North Korea would be effective, with other nations expected to cooperate if the United Nations decides to adopt such a resolution.

The United States has proposed a two-staged sanction plan against North Korea over its refusal to allow full international nuclear inspections. The halting of remittances is included in the second stage.

Meanwhile, the U.S. is making last-ditch efforts to solve the issue through negotiations with former U.S. President Jimmy Carter, who is now visiting Pyongyang.

"I must refrain from commenting because the North Korean issue is delicate with new developments in the making," said Fujii in an apparent reference to Carter's visit.

He noted that the Foreign Ministry is now tackling the issue and his ministry has not received any "details" over the U.S.-proposed sanctions.

Turning to the domestic issue, Fujii said the recent rises in long-term market rates reflected "market perception over the global trend and slight brightness in Japan's economy."

But he refused to comment directly on the interest rate directions, unlike Bank of Japan Governor Yasushi Mieno who said in his press remarks Wednesday that long-term rates would settle at levels reflecting the economic state in the longer run.

DPRK 'Ready' To Propose Compromise to U.S.

OW1706024194 Tokyo KYODO in English 0220 GMT
17 Jun 94

[Text] Tokyo, June 17 KYODO—North Korea is ready to propose a compromise package to the United States to solve the standoff over its nuclear program if bilateral talks are held, a Japanese politician Friday [17 June] quoted a senior North Korean official as saying.

Kim Yong-sun, (North) Korean Workers' Party Secretary in charge of International Affairs, made the remarks in a meeting late Thursday with Taku Yamasaki, former director general of the Defense Agency and a Liberal Democratic Party (LDP) Diet member, Yamasaki told reporters.

'Lump Compromise Package'

OW1706044594 Tokyo KYODO in English 0433 GMT
17 Jun 94

[Text] Tokyo, June 17 KYODO—North Korea will propose a compromise package to the United States to solve the nuclear confrontation if Washington agrees to resume bilateral talks, a Japanese politician Friday quoted a senior North Korean official as saying.

Kim Yong-sun, secretary of the (North) Korean Workers' Party in charge of international affairs, told Taku Yamasaki, a Liberal Democratic Party (LDP) Diet member, late Thursday the package would incorporate "all points of concern for the United States," Yamasaki told reporters in a phone call from Pyongyang.

"If U.S.-N. Korea talks are reopened, we are ready to propose a lump compromise package regarding the nuclear issue, through which everything will be solved," Kim said

in a four-hour meeting with Yamasaki, a former director general of the Defense Agency.

Pyongyang would offer to give up its current nuclear facilities if the U.S. helps North Korea to replace its graphite-moderated reactor program with light-water reactors, as the U.S. has previously offered to do.

Alluding to U.S. calls for sanctions against North Korea for its refusal to allow inspections of its nuclear facilities, Kim warned against putting further pressure on Pyongyang.

"We cannot allow others to keep punching us," he was quoted as saying.

Yamasaki and LDP Diet member Yoichi Tani, a former head of the Hokkaido Development Agency, who also participated in the talks, urged Kim to seek a negotiated solution of the nuclear row.

"We strongly hope that North Korea will resolve its differences with the United States and the International Atomic Energy Agency with the wisdom of an upright man," they said.

Kakizawa, Christopher Discuss DPRK by Phone

OW1706012894 Tokyo KYODO in English 0050 GMT 17 Jun 94

[Text] Tokyo, June 17 KYODO—U.S. Secretary of State Warren Christopher telephoned Foreign Minister Koji Kakizawa early Friday morning [17 Jun] to inform him in advance of U.S. plans to issue an announcement on the North Korean nuclear situation, Kakizawa said.

Christopher called at around 5 A.M. [2000 GMT] to report in advance the contents of U.S. President Bill Clinton's announcement giving a tentative go-ahead to the reopening of diplomatic talks with North Korea, Kakizawa said at a press conference.

Kakizawa said he told Christopher Japan welcomes Washington seeking dialogue with Pyongyang and hopes North Korea will respond to the U.S. offer and accept and carry out international inspections of nuclear facilities.

Japan also hopes North Korea would offer a "sincere" reply to the call from the United States on Friday when former U.S. President Jimmy Carter meets North Korean Leader Kim Il-song again because this is an important turning point toward sanctions, Kakizawa said.

Clinton announced U.S. willingness to open the third round of negotiations with Pyongyang at a press conference Thursday, saying there was "promising development" in Carter's personal mission in Pyongyang.

Carter, speaking on the CNN cable network from Pyongyang after a meeting Thursday with Kim, said he has received a personal commitment from the North Korean leader that international inspectors will be allowed to continue monitoring a controversial nuclear reactor in Yongbyon north of the North Korean capital.

Kakizawa quoted Christopher as saying the U.S. can not yet determine whether North Korea's latest overtures were

"sincere" or a strategy to procrastinate moves toward imposing sanctions on Pyongyang.

Christopher was quoted as saying that negotiations at the United Nations on the proposed sanctions will continue.

Kakizawa said he telephoned Prime Minister Tsutomu Hata after the 30-minute call with Christopher.

Official: US Study Not Tied to DPRK Issue

OW1706042994 Tokyo KYODO in English 0422 GMT 17 Jun 94

[Text] Tokyo, June 17 KYODO—Defense Agency chief Atsushi Kanda denied Friday that a U.S. study for possible use of Japanese Self-Defense Forces (SDF) bases is linked to the current crisis over North Korea's suspected nuclear arms program.

Kanda admitted at a news conference the U.S. forces are conducting a study with Japanese bases, but stressed it has nothing to do with the deepening Asia-Pacific crisis.

"We have been conducting research and studies (on Japanese bases) to secure efficient operation in view of maintaining and boosting reliability of the Japan-U.S. Security Treaty," he said.

"Japan's Self-Defense Forces have been cooperating with these studies, and (the ongoing study) is one in line with them," Kanda said. "The U.S. forces are always doing (such studies). The study now under way has nothing to do with the North Korean issue."

The daily TOKYO SHIMBUN reported in its Friday edition that the U.S. forces are studying Air Self-Defense Force bases for possible use as airbases for fighters apparently in preparation for any military involvement in the Korean peninsula.

The U.S. appears to have already selected four bases in Chitose, Misawa, Matsushima and Komatsu as proper sites to serve as bases for U.S. fighters which would fly from the U.S. mainland, the daily said.

Kanda denied he has received any request from the U.S. for such use of Japanese bases.

The U.S. forces conduct studies on SDF bases to renew data once or twice every year, according to the Defense Agency.

U.S. Willingness To Talk to DPRK Welcomed

OW1706045694 Tokyo NHK General Television Network in Japanese 0300 GMT 17 Jun 94

[Announcer-read report over video; from the "NHK News" program]

[Text] At a news conference this morning, Chief Cabinet Secretary Hiroshi Kumagai commented on President Bill Clinton's remark earlier in the morning on the United States' willingness to resume talks with the DPRK. He said:

[Begin Kumagai recording] We welcome the present move toward the U.S.-DPRK talks. We would like to continue to maintain close cooperation with the countries concerned to strongly urge North Korea to demonstrate by its actual behavior that it observes the Nuclear Nonproliferation Treaty, and will fully implement the IAEA [International Atomic Energy Agency] safeguards agreement. [end recording]

Kumagai also said that until the DPRK accepts nuclear inspections, it is necessary to consider various measures, including sanctions, at the UN Security Council.

Kaifu Warns Against 'Overreaction' on DPRK

*OW1706121394 Tokyo KYODO in English 1159 GMT
17 Jun 94*

[Text] Asahikawa, Hokkaido, June 17 KYODO—Former Prime Minister Toshiki Kaifu on Friday [17 June] warned against overreaction by parties involved in the North Korean nuclear standoff.

Speaking to a gathering in Asahikawa on Japan's northernmost main island of Hokkaido, Kaifu said overreaction on the part of either North Korea or countries advocating sanctions against it could lead to a great setback for the international community.

The opposition Liberal Democratic Party (LDP) figure advised that all diplomatic efforts be exerted, making use of various personalities and channels, so that the dispute can be resolved through peaceful dialogue.

Pro-DPRK Koreans Protest Increased Harassment

*OW1506135294 Tokyo KYODO in English 1325 GMT
15 Jun 94*

[Text] Tokyo, June 15 KYODO—A pro-Pyongyang of Koreans living in Japan said Wednesday [15 June] it will urge police to probe and take preventive measures against the growing number of discriminatory acts they are encountering [sentence as received].

The General Association of Korean Residents in Japan (Chongnyon) announced the move after issuing a statement showing some 120 discriminatory cases reported since April. The cases include verbal abuse and physical harassment such as knifing of clothing worn by Korean students. Female students of schools run by Chongnyon wear traditional Korean clothes for uniforms, which could make them a target.

Chongnyon called the situation "vicious violence," comparing it to the aftermath of the 1923 great Kanto earthquake, in which many Koreans were killed. Chongnyon officials told a news conference that discriminatory actions have noticeably increased since March in line with the international focus on North Korea's suspected nuclear arms development. The number of such actions reported to Chongnyon's Tokyo headquarters totaled about 25 in April, but jumped to about 45 in May and some 50 for the first half of June, the officials said.

Political Rights for Ethnic Koreans Recommended

*OW1606103394 Tokyo KYODO in English 0952 GMT
16 Jun 94*

[Text] Tokyo, June 16 KYODO—The Japan-Korea Friendship Association on Thursday [16 June] urged Japanese municipalities to recognize the political rights of Korean residents of Japan and abolish citizenship requirements for working in local governments.

The association at its general assembly adopted a resolution urging Japan to open the way for political participation of Korean residents at the regional level and to expand the employment of ethnic Koreans in public administration.

"Korean residents of Japan are now second, third, and fourth generations and have adopted the lifestyle of permanently residing in Japan," Shin Yon-sang, head of the pro-Seoul Korean Residents Union in Japan (Mindan), told the assembly.

"As local residents of Japanese society, I hope they will contribute to the development of the regions. We intend to proceed with our efforts to gain political participation rights on the local level," Shin said.

The campaign for granting voting rights and the right to run for political office at the local level to ethnic Koreans has gained momentum over the past year as a growing number of local assemblies have adopted resolutions backing political rights for non-Japanese permanent residents.

Some 680,000 ethnic Koreans currently live in Japan, many of them descendants of Korean laborers forcibly brought to Japan during Japan's 1910-1945 colonial rule of the peninsula.

An estimated 369,000 of the residents are affiliated with the pro-Seoul Mindan while another 247,000 belong to the pro-Pyongyang General Association of Korean Residents in Japan (Chongnyon).

Kumagai: No Schedule Set for Hata's ROK Visit

*OW1706083194 Tokyo KYODO in English 0807 GMT
17 Jun 94*

[Text] Tokyo, June 17 KYODO—Japan has yet to fix a schedule for Prime Minister Tsutomu Hata's expected visit to South Korea, the top government spokesman said Friday [17 June].

South Korean President Kim Yong-sam expressed a desire to meet Hata as early as possible during Foreign Minister Koji Kakizawa's recent visit to South Korea, Chief Cabinet Secretary Hiroshi Kumagai said at a news conference.

"But nothing has yet been decided concerning when and how" the premier will make the journey, he said.

On Thursday, a senior Foreign Ministry official indicated Hata may visit South Korea for talks with Kim later this month or early next month.

A newspaper report said Friday the government has started preparations for a visit by Hata to South Korea on July 1-2.

It would be Hata's first visit to South Korea since assuming office in late April. The premier has voiced hope for an early visit to South Korea.

Ministry Official Gives Telecom Talks Briefing

*OW1606123094 Tokyo KYODO in English 1217 GMT
16 Jun 94*

[Text] Tokyo, June 16 KYODO—Japan and the United States will likely hold subcabinet-level talks on telecommunications trade around June 22 and 23, a Foreign Ministry official said Thursday [16 June].

The official was briefing reporters after the end of the first-day session of two-day working-level telecom trade talks in Tokyo. Both sides avoided discussing the quantitative aspect of "objective criteria" in gauging the openness of Japan's telecom market, the official said. Friday's session will also refrain from addressing quantitative criteria, the thorniest issue under the bilateral trade "framework" negotiations, he said.

Talks on improving U.S. access to the Japanese telecom market resumed in early June after a hiatus of three and half months following the Feb. 11 disruption of the summit talks between then Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton.

Officials 'Confirmed Progress' in Telecom Talks

*OW1706115694 Tokyo KYODO in English 1142 GMT
17 Jun 94*

[Text] Tokyo, June 17 KYODO—Japan and the United States on Friday [17 June] confirmed progress in working out qualitative criteria in telecommunications trade talks but did not discuss in depth the thorniest issue of setting quantitative yardsticks, officials said.

"In a cordial and positive atmosphere, there was a considerable progress to narrow difference on qualitative criteria," a U.S. trade official said, briefing reporters on two days of working-level talks on ways to enhance American access to the Japanese telecommunications market.

Telecom trade, covered under government procurement along with medical equipment, is one of three priority fields under the bilateral trade "Framework" negotiations launched in July last year.

A Japanese Foreign Ministry spokesman said U.S. understanding has been deepened on a set of measures to open the Japanese telecom market, which were contained in a market-opening package released in March.

The U.S. official, who requested anonymity, said the talks focused on procedural problems and that the quantitative aspect of "objective criteria" as a tool to assess openness of the Japanese telecom market will be put on hold until higher-level talks expected in Tokyo next week.

But the official said that a specific time schedule for a meeting between Japan's Deputy Foreign Minister Sadayuki Hayashi and Deputy U.S. Trade Representative Charlene Barshefsky has yet to be fixed.

The expected subcabinet-level meeting will be shortly followed by further working-level negotiations, the official said.

The Japanese spokesman acknowledged that differences remain between the two parties over the Japanese-proposed "overall evaluation method" for selecting winners in tenders for government-sponsored projects.

The method, proposed in the March market-opening package, is designed to evaluate not only bid prices but product performances and functions.

"U.S. concerns are evident when looking at a number of exceptions and discretions attached," the U.S. trade official said.

The Japanese spokesman said, "It would not be correct to say Washington has given Japan 120 points on the latest evaluation proposal."

On another sticking point of whether or not Nippon Telegraph and Telephone Corp. (NTT) should be covered by government procurement talks, the U.S. official said, "The two sides have not been able to narrow differences on the area."

The U.S. official reiterated Washington's preparedness to review Japan's government procurement practices by the end of June in line with the 1988 bilateral agreement on government procurement.

"June 30 is one of a series of important dates for Japan-U.S. trade ties," the official said, quoting the recent remark by U.S. Trade Representative Mickey Kantor.

Agreement With U.S. 'Unlikely' Before Summit

*OW1706014694 Tokyo KYODO in English 0052 GMT
17 Jun 94*

[Text] Tokyo, June 17 KYODO—Japan and the United States are unlikely to reach accord on all of the three priority fields under the trade "framework" talks before the Naples summit of the Group of Seven key industrial countries in July, Trade Minister Eijiro Hata said Friday [17 June].

Settlement on auto trade talks will probably be delayed beyond the July 8-10 summit, International Trade and Industry Minister Hata told a press conference.

But he added Japan could reach accord on "the overall direction" of bilateral auto trade during a meeting between Prime Minister Tsutomu Hata and U.S. President Bill Clinton to be held along with the Naples summit.

Japan previously expressed hope that talks on auto trade and two other priority framework sectors—government procurement and insurance—will be settled before the Naples G-7 meeting.

"There should be flexibility in bilateral framework negotiations," Hata said.

On Japan's economy, Hata said "the biggest concern" is a strong yen.

Bank of Japan Governor Yasushi Mieno depicted a brighter economic prospect in his latest press conference amid an emerging sign of a recovery in various industrial sectors, Hata said.

But he added small companies are still struggling under the lingering uptrend of the yen against the dollar.

Tokyo, U.S. Vow Efforts To Open Glass Trade

*OW1606121994 Tokyo KYODO in English 1202 GMT
16 Jun 94*

[Text] Tokyo, June 16 KYODO—Japan and the United States on Thursday [16 June] agreed to continue efforts to expand foreign access to Japan's sheet glass market, a Trade Ministry official said.

The two countries confirmed the mutual efforts during sheet glass talks resumed under the trade "Framework" negotiations, an official at the Ministry of International Trade and Industry (MITI) told a press conference. "Both parties agreed to continue constructive talks for further penetration by imported sheet glass in this country," the official said. The official noted the two parties agreed to meet again in July or shortly after the Naples summit of the group of seven leading industrialized nations.

During Thursday's meeting, the first since December last year, Japanese negotiators explained that the volume-based share of foreign-made sheet glass in the Japanese market increased to 5.6 percent in 1993 from 4.9 percent the previous year, according to the official. The Japanese negotiators were also quoted as saying the number of Japanese wholesalers handling foreign sheet glass rose to 39 at the end of last December from 17 in June 1992. At present, there are 400 sheet glass wholesalers in Japan.

The Japanese side said it has taken steps to open Japan's sheet glass market in line with an action plan introduced two years ago, the official said. The Japanese sheet glass industry will send a trade mission to the U.S. in August to study the U.S. distribution system, according to the official.

Sheet glass trade is among a basket of existing trade pacts under the framework talks. The trade talks were launched in September last year, and held in October and December. But the talks were suspended following the Feb. 11 collapse of the summit between then Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton.

Matsuura: G-7 Reached 'Important Crossroads'

*OW1606135094 Tokyo KYODO in English 1330 GMT
16 Jun 94*

[Text] Tokyo, June 16 KYODO—The annual summits of the Group of Seven (G-7) industrial countries have reached "an important crossroads" following the end of

the Cold War, according to senior Japanese Foreign Ministry official Koichiro Matsuura.

The invitation to then Soviet President Mikhail Gorbachev to the G-7 summit in London in 1991 marked the diplomatic end to the Cold War structure, said Matsuura, former deputy foreign minister for economic affairs, in a recent interview with KYODO NEWS SERVICE. "But the G-7 nations have yet to form a consensus on what role their summits, marking their 20th anniversary at this year's Naples gathering, should play in the post-Cold War era," he said. The East-West confrontation of the 1970s and the first oil crisis in 1973 were prime movers in launching the summits, Matsuura said. "But now there is nothing that binds them together so firmly," he claimed. "They are now in a transitional stage."

Matsuura served as a sherpa, or personal representative of the prime minister, at the 1992 Munich summit and the 1993 Tokyo summit. He said the G-7 countries are having difficulty dealing with Russia, which has stumbled in implementing reform programs despite full-fledged aid commitment by the G-7 at last year's Tokyo summit. "How to define Russia's role in the summit framework will probably be taken up at the Naples summit," he said. "But G-7 leaders are unlikely to reach an accord on the matter and the topic will be carried into next year's summit in Canada." He said Russia appears to want to use its participation at the summit to give the world the impression it is an economic power.

Matsuura said the G-7 nations have effectively tackled trade and currency issues throughout the past 19 summit meetings, which began at Rambouillet, France, in 1975. He said a floating exchange rate system has come to function well, while new global trade rules are expected to take effect at the beginning of next year under the World Trade Organization (WTO) following the recent conclusion of the Uruguay round of multilateral trade talks. But macroeconomic issues, which Matsuura claims are "far more difficult" to cope with than currency and trade problems, are still pending, necessitating further policy coordination among the G-7. Matsuura said the Naples summit will give priority to how to achieve growth and employment simultaneously, an issue also discussed at the Tokyo summit under the "global growth strategy."

The economy is recovering smoothly in the United States while signs of a pickup are appearing in Japan, but this does not mean that global unemployment will be easily solved, he said. Global joblessness can be partly traced to structural problems that often require political solutions, he added.

Directly or indirectly, Japan will probably be asked to boost its domestic demand during the Naples summit as part of efforts to reduce global unemployment. But it is unlikely there will be any magic prescription for dealing with structural problems on the jobless issue, he said.

On the political front, Bosnia will top the Naples agenda in view of its geographical proximity to most summit member countries. The suspected nuclear arms program

by North Korea could also be taken up if the situation becomes more serious, Matsuura said.

Former Envoy Foresees No Accord on UN Seat

OW1606130394 Tokyo KYODO in English 1256 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—The United Nations will not be able to revise its charter before 1996 to allow Japan to become a permanent member of its security council, former Japanese ambassador to the UN Yoshio Hatano predicted Thursday [16 June].

Hatano also said in a speech that a midterm report on UN reform by a working committee, due this fall, will not detail an increase in the number of UN Security Council members. He said it would be impossible for the 184-nation working panel to produce an agreement.

Bangladesh To Receive 22.97 Billion Yen in Aid

OW1506003894 Tokyo KYODO in English 0002 GMT 15 Jun 94

[Text] Dhaka, June 15 KYODO—Japan will provide 22.97 billion yen to Bangladesh under two loan agreements signed here Tuesday [14 June] between the two countries, the government said.

The main loan of 21.56 billion yen is for the construction of the Jamuna multipurpose bridge project, the Bangladesh Government said in a press release. The remaining 1.41 million yen loan is for financing a separate development project.

The bridge is being cofinanced by the World Bank and the Asian Development Bank, which are giving 200 million dollars each, the government said.

With the loan agreements signed Tuesday, the total amount of assistance to Bangladesh from Japan's Overseas Economic Cooperation Fund (OECF) comes to 481.59 billion yen, the OECF local office said in a press release.

The 4.8-kilometer-long bridge will carry electricity and gas lines as well as traffic, and will have telecommunications facilities in future. The bridge will be a great link between the two parts of Bangladesh divided by the Jamuna River and is expected to help spur economic growth, the OECF said.

Hata: Tokyo Capable of Producing Nuclear Weapons

OW1706103194 Tokyo KYODO in English 1017 GMT 17 Jun 94

[Text] Tokyo, June 17 KYODO—Prime Minister Tsutomu Hata acknowledged Friday that Japan has the capability to produce nuclear weapons but said it has not done so in line with its international treaty obligations. "It's certainly the case that Japan has the capability to possess nuclear weapons but has not made them," Hata told reporters inside the Diet building.

He said Japan has abstained from doing so in line with its obligations as a nonnuclear power under the Nuclear

Nonproliferation Treaty (NPT). Hata made the comment in connection with an alleged remark he made in a House of Councillors Budget Committee meeting earlier in the day.

The prime minister was quoted by parliamentarians as having said he "agrees absolutely" with an interpellator's view that Japan should confirm to other nations that it can indeed produce nuclear weapons, though it is refraining from doing so for political reasons. The interpellator, Liberal Democratic Party (LDP) Hiroshi Oki, cited the NPT and Japan's so-called three nonnuclear principles—to not possess, manufacture or introduce nuclear weapons on its territory.

Hata denied to reporters that he made the alleged remark, though Oki insisted the prime minister "roundly affirmed" Japan's potential for producing nuclear weapons. It is believed to be the first time for the Japanese Government to directly acknowledge such potential in the Diet or publicly.

Chief Cabinet Secretary Hiroshi Kumagai called Hata's remarks a somewhat insufficient explanation of the government's true position. He told reporters that Japan "limits its use of nuclear energy to peaceful purposes, abstains from military utilization and does not endeavor to possess nuclear weapons technology or know-how."

Agency Orders Check on Reactor Accident

OW1706060794 Tokyo KYODO in English 0554 GMT 17 Jun 94

[Text] Tokyo, June 17 KYODO—The Agency of Natural Resources and Energy has instructed Tokyo Electric Power Co. to thoroughly investigate last month's accident at one of the company's nuclear reactors in Fukushima Prefecture, agency officials said Friday [17 June].

The agency, part of the Ministry of International Trade and Industry, suspects the metal fittings holding down jet pumps in Japan's boiling-water reactors may be defective after it learned that the fittings had been replaced in the early 1980s to prevent just such an accident.

Operations at the Fukushima No. 2 power plant's 1,100-megawatt third reactor were closed down on May 30 when part of a metal fitting on one of the 20 jet pumps that regulate power output fell off.

Concern about the fittings 14 years ago, following a similar accident at a U.S. nuclear power facility, led Tokyo Electric Power to change the fittings on all its boiling-water reactors as a preventive measure.

According to the agency, the accident at an Illinois nuclear power plant in February 1980 was attributed to stress and corrosion around the holes for bolts that hold the jet pumps in place.

The power company replaced all the fittings in its reactors with a new type that was supposedly more resistant to stress and corrosion. The exchange operation was completed in 1984.

Since then, there have been no reports of any accidents related to the fittings, but the effects of stress and corrosion have been found at the Fukushima No. 1 power plant's first reactor and at the Hamaoka power plant's first reactor in Shizuoka Prefecture.

The Fukushima reactor, currently under investigation, was under construction at the time of the exchange operations and was installed with the newer-style fittings.

The same Fukushima reactor experienced trouble with its circulating-water pump in January 1989 and at that time, the jet pumps were removed from the reactor.

The agency suggested that the trouble with the metal fittings on the jet pumps may be related to the 1989 incident, but added that if trouble exists with the newer-style fittings, it may have to order the fittings on the boiling-water reactors be changed again.

The majority of Japan's nuclear power reactors are of the boiling-water type. An exception is the "Monju" reactor in Tsuruga, Fukui Prefecture along the coast of the Sea of Japan. It is a plutonium-fueled fast breeder reactor, which has become the cornerstone of Japan's energy policies for the future.

Hoshuyama Appointed To Head Defense Branch

*OW1706124894 Tokyo KYODO in English 1155 GMT
17 Jun 94*

[Text] Tokyo, June 17 KYODO—Defense Agency chief Atsushi Kanda has decided to appoint Noboru Hoshuyama, currently director of the agency's secretariat, as director general of the Defense Facilities Administration Agency, Defense Agency sources said Friday [17 June].

Hoshuyama, 57, will succeed Ichiro Yoneyama, 56.

The sources said Yasutomo Mitsui, 54, now head of the Defense Agency's Bureau of Personnel, will succeed Hoshuyama as chief of the secretariat.

Defense Agency chief Kanda will officially announce the new appointments after the scheduled closing on June 29 of the current Diet session, the sources said.

Kono Says LDP To Submit No-Confidence Motion

*OW1606152794 Tokyo KYODO in English 1513 GMT
16 Jun 94*

[Text] Tokyo, June 17 KYODO—Yohei Kono, president of the main opposition Liberal Democratic Party (LDP), said Thursday [16 June] his party will submit a no-confidence motion against the minority government of Prime Minister Tsutomu Hata.

"We will submit a no-confidence motion against Hata cabinet," Kono told a faction meeting of LDP legislators at a Tokyo restaurant. "We cannot overlook this cabinet in silence."

Kono, however, did not state clearly when the LDP will take the action.

As the current Diet session approaches its final day June 29, the LDP is intensifying its pressure on the government, threatening to submit a no-confidence motion at any time.

If the LDP secures enough support from the second largest opposition party, the Social Democratic Party, the passage of the motion is likely, resulting in either the cabinet's resignation en masse or Hata's calling a general election.

Coalition 'Lost Credibility'

*OW1706131794 Tokyo KYODO in English 1303 GMT
17 Jun 94*

[Text] Tokyo, June 17 KYODO—The largest opposition Liberal Democratic Party (LDP) decided Friday [17 June] to propose a no-confidence motion against Prime Minister Tsutomu Hata as soon as the 1994 budget passes the Diet, party sources said.

The 73.08 trillion yen budget was approved by the House of Representatives on June 8 and is expected to clear the House of Councillors during the current session ending June 29.

LDP President Yohei Kono wants to meet at an early stage with Tomiichi Murayama, chairman of the opposition Social Democratic Party (SDP) [SDPJ—Social Democratic Party of Japan], and Masayoshi Takemura, head of New Party Sakigake (harbinger), to ask for cooperation on the planned no-confidence motion, they said.

Hata is not deserving of confidence, the sources said, because his minority government does not represent the will of the people.

The LDP also criticizes the ruling coalition for having lost credibility in international society as well by its reluctance to uncover the facts about questionable financial deals by former Prime Minister Morihiro Hosokawa, the sources said.

If a no-confidence motion is approved by the Diet, Hata must either have his cabinet resign en masse or dissolve the lower house for a general election.

LDP secretary general Yoshiro Mori, speaking at the party's headquarters Friday, said the budget is likely to be approved in the latter half of next week and the political situation will be "busy" thereafter.

Some powerful LDP figures, including former Foreign Minister Michio Watanabe and former Transport Minister Hiroshi Mitsuzuka, have insisted that "conservative" forces in the LDP should ally with those in the coalition government rather than seek cooperation with the SDP.

Former Prime Minister Toshiki Kaifu also reiterated at a press conference in Asahikawa, Hokkaido, on Friday that the LDP should not immediately propose a no-confidence motion.

However, the party made the decision to submit a no-confidence motion because it became more convinced that the SDP would cooperate, LDP sources said.

On Thursday, the LDP and the SDP cooperated to force a motion through the lower house budget panel summoning Hosokawa to testify next Tuesday under oath about his questionable personal finances, over which he was forced to resign in April.

Meanwhile, Yuichi Ichikawa, a major coalition government strategist, said Friday he will urge the SDP next week to come back into the ruling camp.

Ichikawa, secretary general of Komeito, a Buddhist-backed party in the ruling coalition, told reporters in Makubetsu, Hokkaido, that he wants to represent the ruling parties and meet SDP Secretary General Wataru Kubo as early as the middle of next week to "exchange opinions frankly."

The SDP seceded from the coalition in April shortly after other ruling parties formed a lower house parliamentary group, "Kaishin," without consulting with the SDP.

Sakigake leader Takemura met some LDP members Friday and expressed a positive view on alliance with the LDP, political sources said. Takemura has also been eager to cooperate with the SDP, they said.

A high-ranking SDP official said Friday Hata's cabinet must resign en masse before the SDP will return to the ruling camp.

The official suggested the party may allow Hata to be prime minister again once a new cabinet is formed after his resignation.

Parties Face Off Over Summoning of Hosokawa

OW1606145294 Tokyo KYODO in English 1446 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—The ruling and opposition parties intensified their confrontation over the House of Representatives Budget Committee's decision Thursday [16 June] to summon former Prime Minister Morihiro Hosokawa over his financial dealings.

The opposition parties forced a motion through the lower house budget panel to summon Hosokawa on June 21 to testify under oath about his questionable personal finances. The ruling parties committee members shouted "opposition," but they failed to override Budget Committee chairman Tsuruo Yamaguchi's declaration that his panel summon the former premier. The opposition demanded that Hosokawa be summoned as his former secretary Masatoshi Miyama's testimony Wednesday was not enough to clarify his allegedly dubious money transactions.

In April Hosokawa gave up the premiership of the first coalition government in almost four decades when the opposition delayed Diet debate on the fiscal 1994 state budget, demanding clarification of his financial affairs.

The ruling parties, upset by the committee's decision to summon Hosokawa, appealed to lower house speaker Takako Doi to brand the decision a result of "improper" procedures and nullify it. The main opposition Liberal Democratic Party (LDP), which was forced out of power

last August by Hosokawa's coalition government, is now assessing the timing of submitting a no-confidence motion against the minority government led by Prime Minister Tsutomu Hata, political sources said. Hata, when asked about the decision to summon his predecessor, declined to comment, only saying "it is painful."

The Social Democratic Party (SDP) [SDPJ—Social Democratic Party of Japan], the No. 2 opposition party which in April left the coalition, also aims at taking advantage of Hosokawa's plight to bring down the Hata cabinet. The opposition said that what Miyama told the panel Wednesday was not consistent with Hosokawa's earlier explanation about a 100 million yen loan from the scandal-tainted Sagawa Kyubin trucking firm in 1982.

Hosokawa insists he repaid the money by 1991 and that he had not known the interest arising from the loan was used as a political donation until two days before he announced his resignation in April. But Miyama told the panel he has informed Hosokawa's office that he handled the interest as a political donation at the end of 1993.

The opposition suspect Hosokawa might have used the entire 100 million yen as illegal political donations. Several months after he received the money, in February 1983, Hosokawa ran successfully for election as governor of Kumamoto Prefecture, southwestern Japan.

Hosokawa is also suspected of having been directly involved in purchasing several profitable stocks of Nippon Telegraph and Telephone (NTT) Corp. in 1986. Although Hosokawa denies direct involvement in the deal, Miyama testified that the former premier has instructed him to help Hosokawa's father-in-law buy some NTT shares. Former Prime Minister Toshiki Kaifu reportedly told former Foreign Minister Taro Nakayama, who heads the LDP's intraparty Political Reform Group, that he would support the submission if Hosokawa's summoning could be settled in a way easily understood by the public.

Draft Report Urges Ending Tax Privileges

OW1606133494 Tokyo KYODO in English 1309 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—A draft report on tax reforms worked out Thursday [16 June] by a tax panel of the ruling coalition called for phasing out tax privileges for small businesses, coalition officials said.

The report, to be presented to a meeting of coalition leaders early next week, did not propose a specific margin of raise for the consumption tax from the present 3 percent, leaving the decision up to the leaders. The coalition's tax reform package is expected to center on continued cuts in income and residential taxes after fiscal 1994 and a raise in the consumption tax.

Concerning a phaseout of tax privileges for small businesses, the report said the maximum annual sales of businesses that are allowed to keep the consumption tax they have collected from consumers should be cut to 20 million yen from the present 30 million yen. It also called for abolition of the present system of allowing businesses

with annual sales of less than 50 million yen to keep some of the consumption tax income.

In addition, the report said the maximum annual sales for businesses to which a simplified tax computation formula is applicable should be cut to either 300 million yen or 200 million yen from the present 400 million yen. That decision is expected to be made by the tax panel in a meeting Friday.

Shelving of Small-Business Tax Change Advocated

OW1706125094 Tokyo KYODO in English 1229 GMT 17 Jun 94

[Text] Tokyo, June 17 KYODO—A draft report on tax reforms released Friday [17 June] by the government's tax commission calls for the shelving of part of a proposal that would reduce tax privileges for small businesses.

The report said a plan to lower the maximum annual sales, below which businesses are allowed to keep the consumption tax they have collected from consumers, from the present 30 million yen, should be shelved.

The report was released at a general meeting of the commission.

The commission is expected to present a report on a set of tax reform recommendations, focusing on income tax cuts and a raise in the consumption tax from the present 3 percent, to Prime Minister Tsutomu Hata on June 22.

The draft report also said the maximum annual sales for businesses to which a simplified tax computation formula is applicable should be cut from the present 400 million yen but did not propose a margin for reduction.

It also called for a revision of the present system of allowing businesses with annual sales of less than 50 million yen to keep some of the consumption tax income.

The report did not propose a specific margin of increase for the consumption tax but did say tax burdens for Japanese will grow from increased fiscal demand for welfare measures.

It also said the combined maximum tax rate for income and residential taxes should be cut to 50 percent from the present 65 percent.

Keidanren: Deregulation 'Most Important Task'

OW1606075294 Tokyo KYODO in English 0724 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—Newly elected Keidanren chief Shoichiro Toyoda said Thursday [16 June] deregulation is the single most important task for the country's most powerful business lobby. Toyoda, who was appointed chairman of the Federation of Economic Organizations on May 27, said it is the "mandate of our day" to pursue dramatic reforms of the political, bureaucratic and economic systems of the country.

Speaking at the Foreign Correspondents Club of Japan in his first public address as the head of Keidanren, Toyoda

said deregulation is essential for Japan to create a more vigorous economy and gain international credibility. He promised that Keidanren under his reign will "think boldly and act steadily" to harmonize Japan's much-criticized social system into one that resembles those of other major countries.

Asked how Keidanren will have its schemes for social revolution realized, Toyoda, who is also chairman of Toyota Motor Corp., said the organization will do so through constant consultation with the government. He said clearly Keidanren will not wield its influence on policy-makers by funneling corporate donations to politicians as before.

Responding to a question about concerns that deregulation would lead to a higher jobless rate, he said he hopes the possibility can be avoided by creating jobs through the innovation of new technologies and industries.

He was cautious on the state of the economy, which some observers claim has turned a corner. "There are some quarters in the economy which are showing bright signs, but such unstable factors as the political fragility and the high yen have kept me from saying for sure that the economy has been improving," he said.

Calling for tax cuts and increased investments—100 trillion yen more than the planned 430 trillion yen for the current decade—in public works projects, Toyoda said a hike in indirect taxes such as the consumption tax is inevitable in order for the plans to take shape. He failed, however, to specify how far the now 3 percent consumption tax rate should be hiked.

Nonlife Insurance Firms To Issue CB's

OW1606115394 Tokyo KYODO in English 1147 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—The Finance Ministry will allow nonlife insurance companies to issue domestic convertible bonds (CBs) for the first time in almost five years in line with deregulation in the financial sector, ministry sources said Thursday [16 June]. The move will be welcomed by nonlife insurance companies that are gaining interest in procuring funds. A convertible bond is a bond that can be converted into the shares of a company at a fixed price.

Koa Fire and Marine Insurance Co. is seen issuing 30 billion yen in CBs as early as July, while Yasuda Fire and Marine Insurance Co., and Mitsui Marine and Fire Insurance Co. are predicted to follow suit.

The ministry has so far restricted the issuance of CBs to prevent nonlife insurance firms from easily raising funds and making investments, the sources said. The CB market has been weak since the burst of the "bubble economy," but it is now showing signs of improvement. Mitsui Marine and Fire Insurance Co. was the last nonlife insurance firm to issue CBs, in July 1989.

Limit Increase on Life Insurance Policies Urged*OW1606075094 Tokyo KYODO in English 0737 GMT
16 Jun 94*

[Text] Tokyo, June 16 KYODO—The Posts and Telecommunications Ministry should hike the limit on its life insurance policies to allow for more medical care and welfare for Japan's aging population, an advisory group to the ministry said in a report Thursday [16 June]. The midterm report was drawn up by a private group commissioned by the head of the ministry's Post Office Life Insurance Bureau.

Noting that the current limit of 10 million yen for life insurance policyholders is not enough for high-quality coverage, the report urged the ministry to allow more expensive policies and pointed to a need for the contents of coverage to be improved. The report also urged active marketing of high-quality policies in the area outside of life and standard nonlife insurance.

The sector, which includes cancer and nursing care coverage, is dominated by foreign companies and the United States is requesting the sector's liberalization to be put on hold.

Trade Minister Seeks Power Rate Cut Extension*OW1606035794 Tokyo KYODO in English 0304 GMT
16 Jun 94*

[Text] Tokyo, June 16 KYODO—Trade Minister Eijiro Hata on Thursday [16 June] requested the power industry to continue the temporary rate cut beyond September.

Hata made the request, the first of its kind to be done formally, during a breakfast meeting with power industry leaders, including Kohei Abe, head of the Federation of Electric Power Companies.

Hata said the power industry should reflect "anticipation of the Japanese people" in its rate policy.

Abe said the industry will decide whether or not to extend the rate cut by considering economic conditions like crude oil prices.

In November 1993, power and gas utilities implemented a temporary cut in their rates, valid until Sept. 30, to pass on to consumers the benefits of the yen's appreciation against the dollar.

On construction of nuclear power plants, Abe, president of Chubu Electric Power Co., said the industry will give priority to safety and environmental protection in selecting new locations.

Large-lot industrial power demand is still slack amid the overall economic slump, Abe said.

But he added power demand will turn up in a long-term, increasing the importance of nuclear power plants.

Petrochemical Industry's Recovery Projected*OW1606120594 Tokyo KYODO in English 1008 GMT
16 Jun 94*

[Text] Tokyo, June 16 KYODO—Japan's production of plastic resins in May increased from a year earlier for all four types of product, the Japan Petrochemical Industry Association said Thursday [16 June]. It was the first time in two and a half years that production marked year-on-year gains for all the four types.

Industry analysts said the increased output signals a recovery for the slumping petrochemical industry, but the association said demand for plastic resins is unlikely to make a full recovery soon.

Production of low-density polyethylene was up 6.0 percent, high-density polyethylene up 8.0 percent, polypropylene up 3.0 percent and polystyrene up 6.0 percent, the association said. Production of polystyrene, used in household appliances, hit a monthly record of 112,700 tons.

OTC Firms Report First Profit Growth in 3 Years*OW1706112794 Tokyo KYODO in English 1056 GMT
17 Jun 94*

[Text] Tokyo, June 17 KYODO—Pretax profits of 95 firms listed on the over-the-counter (OTC) market climbed 16.2 percent in fiscal 1993 over a year earlier for the first rise in three years, a private think tank reported Friday [17 June].

The Daiwa Institute of Research, affiliated with Daiwa Securities Co., predicted a 15.8 percent rise in the same firms' profits for the current fiscal year ending next March 31.

The think tank said the effects of restructuring measures will be quickly reflected in their business results because corporations listed on the OTC market are relatively small in scale.

The listed firms also consist mainly of processing and service industry firms, whose recovery was quicker than that of the materials, construction and electric companies which are listed on the Tokyo Stock Exchange.

The institute said improvement of their financial balances also contributed to profit growth.

The combined deficit in their financial balances dropped 19.3 percent to 33.8 billion yen in fiscal 1993.

It said the OTC firms moved to raise funds through new stock issues and convertible bonds by decreasing borrowings from banks.

Tokyo To Review Rice Supply-Demand Projection*OW1606113594 Tokyo KYODO in English 1126 GMT
16 Jun 94*

[Text] Tokyo, June 16 KYODO—The government plans to review its long-term supply-demand projection for rice and other key agricultural products to prepare for drastic

changes in agriculture under a new global trade accord, officials said Thursday [16 June].

The current projection, approved by the cabinet in January 1990, calls for a food self-sufficiency rate of 50 percent in the year 2000. But Japan's decision to end its decades-old ban on rice imports last December in order to sign the Uruguay round trade agreement has altered conditions on which the latest projection was made. The agreement calls for converting nontariff trade barriers such as import bans into tariffs but allows Japan to have a six-year grace period before doing so on condition that it imports 4 to 8 percent of its domestic rice consumption during the period.

Japan is to negotiate what to do over its rice market opening after the moratorium, making it uncertain what the domestic rice supply-demand will be after the year 2000.

The Ministry of Agriculture, Forestry and Fisheries is studying several options in projecting the supply-demand situation for rice and other key agricultural products after that year, ministry officials said. They include one case in which Japan will replace all import bans and quotas with tariffs, and another in which the grace period will be extended, they said.

To date, the ministry has reviewed its long-term supply-demand projection for rice and other key farm products every 10 years to set a guideline on domestic agricultural production.

Farm Output to GDP Ratio Drops to Lowest

OW1506090394 Tokyo KYODO in English 0848 GMT 15 Jun 94

[Text] Tokyo, June 15 KYODO—Japan's agricultural production fell to a record low in fiscal 1992, accounting for a mere 1.6 percent of its gross domestic product (GDP), the Farm Ministry said Wednesday [15 June].

The ministry said agricultural output totaled 7,346.20 billion yen, or 1.6 percent of GDP, the lowest since 1970 when the ministry began the survey.

Overall production by agriculture and food-related industries increased 2.1 percent over the preceding year to 51,029.80 billion yen, accounting for 11.0 percent of GDP, the ministry said.

The ministry said production by the food industry totaled 13,573.30 billion yen, accounting for 2.9 percent of GDP, while output by restaurant and distribution-related industries amounted to 9,776.00 billion yen and 16,199.20 billion yen, respectively, accounting for 2.1 percent and 3.5 percent of GDP.

North Korea

Further on Visit by Former President Carter

Attends Folk Dance Performance

SK1606231394 Pyongyang KCNA in English 2300 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—Former U.S. President Jimmy Carter and his entourage on a visit to Korea

saw a performance of "Song of Seasons", a folk dance suite, at the Mansudae Art Theatre here today.

Seeing it together with the guests were Vice-Premier and Foreign Minister Kim Yong-nam, Vice-Minister of Foreign Affairs Song Ho-kyong, Vice-Minister of Culture and Art Kim Chong-ho, other officials concerned and working people in the city.

The performance was highly acclaimed by the audience for its high ideological and artistic plane.

'Sincere Talk' With Kim Il-song

SK1706111594 Pyongyang KCNA in English 1106 GMT 17 Jun 94

[Text] Pyongyang, June 17 (KCNA)—The great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea, today received Former U.S. President Jimmy Carter and his entourage on a visit to Korea.

First Vice Minister of Foreign Affairs Kang Sok-chu was present on the occasion.

President Kim Il-song had a sincere talk with Jimmy Carter on matters of mutual concern.

He gave a luncheon for the guest.

Visits Sea Barrage With Kim Il-song

SK1706111894 Pyongyang KCNA in English 1109 GMT 17 Jun 94

[Text] Pyongyang, June 17 (KCNA)—Former U.S. President Jimmy Carter and his entourage on a visit to Korea inspected the West Sea Barrage today.

The guests were accompanied by the great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea.

President Kim Il-song and Jimmy Carter were greeted by Pak Song-il, chief secretary of the Nampo Municipal Committee of the Workers' Party of Korea and concurrently chairman of the Nampo Municipal People's Committee, Yi Tae-yon, chairman of the Nampo Municipal Administrative and Economic Committee, and leading officials of the barrage management.

Working women presented flowers to President Kim Il-song and Jimmy Carter.

President Kim Il-song, together with Jimmy Carter, mounted the observation tower overlooking the scenery of the gigantic West Sea Barrage cutting across the rough sea in an eight kilometre section.

Carter commanded a bird's-eye view of the West Sea Barrage, hearing an explanation about the barrage, one of the great creations of the Workers' Party era.

Kim Yong-sam's Remarks at Carter Meeting Decried*SK1706033694 Pyongyang Korean Central
Broadcasting Network in Korean 1225 GMT 16 Jun 94*

[Commentary by Yun Pyong-son: "Provoker's Unreasonable Faultfinding"]

[Text] Today the world's public opinion highly appraises our decision to withdraw from the International Atomic Energy Agency [IAEA] as a just self-defense measure and as a courageous decision that only the DPRK can make.

Nevertheless, the South Korean puppets are arguing with us, taking a displeased attitude toward our decision. In other words, in a meeting with former U.S. President Carter on 14 June, traitor Kim Yong-sam clamored that our withdrawal from the IAEA is an abnormal act, a challenge to the demands of the international community, and the like and babbled again about the inevitability of UN sanctions against the North. This is indeed a provoker's unreasonable faultfinding.

Although the puppets are clamoring about an abnormal act, a challenge, and the like, as a matter of fact, it is precisely the agency's Secretariat, which has followed the U.S. imperialists' plot to crush our Republic, who thrust us out of the agency.

As is known, since we joined the Nuclear Nonproliferation Treaty [NPT] and concluded a safeguards agreement, we have sincerely received inspections pursuant to it. However, giving up its mission and function as an international organization, the agency's Secretariat adopted a resolution regarding a special inspection of our military facilities by intentionally fabricating inconsistency [uidojojuro purilchirul manduro naeso].

Even after we temporarily suspended the effectuation of the declared withdrawal from the NPT, in an effort for a peaceful solution to the nuclear issue, the agency's Secretariat forced us to accept inspections equivalent to regular and nonregular inspections, not inspections to guarantee the continuity of safeguards. Hurriedly jumping at the distorted conclusion that it has become impossible to measure the fuel rods taken this time from the experimental reactor, the agency's Secretariat went so far as to adopt an unreasonable resolution of suspending the agency's coordination while demanding a special inspection of our military facilities. The agency Secretariat's arrogant and insolent maneuvers can be seen in this fact alone.

Thus, as we received the agency's inspections and as we showed sincerity and generosity, some quarters of the agency's Secretariat further intensified its pressure upon us, thereby escalating its maneuvers of crushing the Republic.

Under such circumstances, how can our Republic, which regards independence as its life, tolerate the agency's unwarranted acts? How can it idly look at the nation's dignity and sovereignty being trampled underfoot?

As clearly indicated in the statement, our withdrawal from the IAEA is because the agency perpetrated an act of gravely infringing upon our Republic's dignity and sovereignty.

Fair public opinion of the world says that the responsibility for North Korea's withdrawal from the IAEA lies in this agency itself. Our decision taken this time is a just self-defending measure to defend our dignity and sovereignty. The responsibility for our withdrawal from the IAEA lies also in the South Korean puppets. The puppets, who have been frantic in crushing us in collusion with the United States and some quarters of the IAEA Secretariat, are presumptuously talking about abnormal, challenge, and the like. This is indeed a shameless act.

With no sophistry can the puppets escape their criminal responsibility for having driven the situation to this point.

At a press conference on 14 June, the puppets clamored that if the North fails to change its attitude the UN Security Council will take a stern measure. This reveals once again their insidious attempt to isolate and crush us.

UN sanctions are synonymous with a declaration of war against us. Therefore, the puppets' clamoring about the inevitability of UN sanctions is nothing but preaching of the inevitability of a declaration of war.

The Kim Yong-sam ring is a ring of intolerable national traitors who are not interested in national destiny and who stop at nothing to do harm to fellow countrymen. The Kim Yong-sam ring will not go unpunished. If the Kim Yong-sam ring thinks that it can survive by doing harm to fellow countrymen, this is a foolish delusion. The puppets should not run wild like a mad dog.

U.S. 'Threat' Against Developing Nations Decried*SK1706110394 Pyongyang KCNA in English 1038
GMT 17 Jun 94*

["'Nuclear Strategy' Directed Against Developing Countries"—KCNA headline]

[Text] Pyongyang, June 17 (KCNA)—NODONG SINMUN today carries a signed article on the further intensifying military threat of the imperialists and their followers against the DPRK and some developing countries under the pretext of "non-proliferation of nuclear weapons and missiles".

The article says:

The United States is stepping up its military offensive against the developing countries more feverishly than before under the pretext of "nuclear non-proliferation". This tells that the United States' global strategy, nuclear strategy is being focussed on the developing countries.

One of the new "modes of fighting" of the United States at present is the "nuclear non-proliferation strategy". This "strategy" means that the United States will counter a "threat" from the "proliferation of nuclear weapons and missiles" of the developing countries with newly developed weapons.

To this end, the United States granted the U.S. President and commanders of U.S. forces greater powers to use nuclear weapons, and is actively developing micro-nukes of new generation and detecting devices.

The ulterior aim sought by it through the "nuclear non-proliferation strategy" is to prevent the developing countries from possessing or making nuclear weapons under the pretext of "nuclear non-proliferation" and thereby maintain its position as a nuclear power and intensify interference and domination over them.

In a word, this "strategy" is to establish a "new world order" in which the United States has the field to itself dominating the developing countries with a nuclear whip.

Today the sharp edge of attack of this "strategy" is directed at the DPRK. The United States is scheming to dispatch, in case of "contingency" on the Korean peninsula, reinforcements of 600,000 troops, more than 200 warships, over 1,600 aircraft and even its forces deployed in Germany and Alaska. And, when unleashing another war in Korea, it is trying to inveigle Japan and other international reactionaries in it.

But the United States cannot bring us to our knees with strength.

The Korean people are determined and prepared to counter any military option of the United States. The United States must give up its new adventurous strategy.

Envoy to Russia Explains IAEA Withdrawal

SK1706033494 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 17 Jun 94

[Text] A news conference was held at our country's embassy in Moscow on 15 June regarding our country's Foreign Ministry statement dated 13 June on our withdrawal from the International Atomic Energy Agency [IAEA]. Reporters from Russian papers and news agencies attended the news conference.

Our country's ambassador Son Song-pil answered reporters' questions. He explained in detail the background of our country's Foreign Ministry statement and pointed out: A spokesman for our country's Foreign Ministry issued a statement taking stern measures against the IAEA's unjust maneuvers of imposing sanctions against our country and its attempt to intrude into our country's military sites.

The action taken by our country is a due measure against the IAEA's unjust maneuvers. The IAEA Board of Governors meeting, following the U.S. policy of crushing the DPRK, adopted a resolution on suspending the agency's assistance to our country and demanded the opening of our military sites. This is obviously the agency's sanctions against us and, in essence, a prelude to UN sanctions.

Saying that we have made every possible effort regarding the core refueling operation, the envoy continued that the United States and the IAEA are, however, making a stir to impose sanctions and said: The IAEA sanctions are an

intolerable humiliation to our people. Our people cannot negotiate with someone that infringes upon our nation's sovereignty and dignity. The more sanctions or pressures that are imposed on us, the stronger our volition will become and the freer our peaceful nuclear activities will become. The stronger the pressure becomes, the more our people will sternly deal with it. It is our principled stance to respond to dialogue with dialogue and war with war. Sanctions and dialogue are incompatible. It is absurd that they insist on having dialogue while imposing pressure and sanctions.

He then answered the reporters' questions.

ROK Churches Denounces U.S. for Higher Tension

SK1606233694 Pyongyang KCNA in English 2212 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—The National Council of Christian Churches of South Korea released a statement Wednesday denouncing the U.S. imperialists for heightening the situation with each passing day, according to a radio report from Seoul.

In the statement published in the name of the reunification committee it said the recent tension on the Korean peninsula is attributable to the wrong international order orchestrated by a nuclear power. The "nuclear issue" should be solved through dialogue, not by means of pressure or "sanctions", it stressed.

The statement urged that "the United States should give up its dream of settling the North's 'nuclear issue' through sanctions and war."

It also urged the "government" authorities to make sincere efforts for reconciliation and unity, understanding that those in the North are fellow countrymen with the same blood and brothers who should work together to build a reunified country.

KCNA Reports Student Demonstration in South

SK1506044894 Pyongyang KCNA in English 0425 GMT 15 Jun 94

[Text] Pyongyang, June 15 (KCNA)—Some 700 students affiliated with the Kwangju and South Cholla Provincial Federation of General Student Councils (Namchongnyon) including Chonnam National University and Choson University of South Korea staged a demonstration on June 13 demanding the authorities stop suppressing Namchongnyon and release the arrested fellow students, a Seoul-based radio report said.

They pelted riot police with rocks.

More Protests Staged 15 Jun

SK1706050294 Pyongyang KCNA in English 0439 GMT 17 Jun 94

["Anti-'Government' Struggle in South Korea"—KCNA headline]

[Text] Pyongyang, June 17 (KCNA)—Some 1,000 students of 13 universities including Yonsei and Korea Universities in Seoul staged a demonstration Wednesday demanding a stop to the "civilian defence training," according to a radio report from Seoul.

In a literature they said that "the 'government' is now trying to avoid the failure of its anti-popular policy by means of increasing tensions on the Korean peninsula through a massive anti-communist campaign." They branded the "training" as "one defining fellow countrymen as the enemy" and strongly demanded its stop.

On the 14th, 50 odd young people threw some 40 paint bottles at a police booth near Kyongpuk National University in Taegu and vanished after destroying its furniture.

ROK Professor's Article on Nation Reviewed

SK1706011094 Pyongyang KCNA in English 2253 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—The editorial board of the Seoul-based radio Voice of National Salvation got through the South Korean National Democratic Front (Hanminjon) the political treatise "The Future of the Nation Viewed From Anecdote of Pyongyang" authored by Kim Son-pil, a professor of political science at a university in Seoul, and broadcast it on June 12.

He recalled that his friend told him that when a member of the Seoul delegation to the Red Cross talks in Pyongyang, 20 odd years ago, asked a girl who looked to be around 15 years old how much the foundation stones of the statue of President Kim Il-song erected on Mansu Hill weigh, he said "the weight of the foundation stones of our father Marshal Kim Il-song's statue is the same as the total weight of the hearts of the 50 million people in the North and the South."

He wrote that what she said reflected the whole of the North, represented the mentality of its people and showed the true appearance of its society and the great potentials of its system.

Noting that what the people think about the statue of their leader and its foundation stones is a symbol of the single-hearted unity peculiar to the North, he said:

According to my knowledge gained through various channels, the North is the only country in the world that has actualized the political administration based on the unity of the people. In the North the intention of the leader is precisely the intention of the people and what the people think is what the leader thinks. The people say as intended by the leader and the latter shapes politics as desired by the former.

The leader's politics is, so to speak, the aspiration and will of the people. The leader takes care of the destiny of the people and shapes good policies for the people and the people remain faithful to the leader, entrusting their destiny to him. The secret of the North's singlehearted unity lies in that all the people have become one in everything.

When a journalist who came to Pyongyang from Seoul to cover the North-South dialogue in the 1970s asked an old woman how many members Premier Kim Il-song's family had, he answered "the members of our premier's family number 50 million." When the North-South dialogue was being held in the 1990's, a journalist from Seoul asked an old man where the Chong-il peak was. He answered: "Chong-il peak is in Mt. Paektu. The Koreans must know of Mt. Paektu and Chong-il peak."

The remarks of the old man are interpreted as meaning that the Koreans must know of the greatness and extraordinariness of supreme commander of the Korean People's Army Kim Chong-il.

In Western countries, supreme commander Kim Chong-il is praised as the greatest hero in the world who has become a bright light in the east predicted by Indian poet Tagor to illumine the universe, and created an oasis in the world as dry as a desert due to the lack of the leadership ability of statesmen in the present times.

The loyal heart of the people in the North in upholding and following the leader has become all the warmer while years passed by from the 70s to the 90s, and it has grown in eight now when the numbers of the nation have grown to 70 million than in the period when they totalled 50 million.

Such a singlehearted unity is unimaginable in the South.

It is a foolish dream to hope for a harmony of the people in the South where there is not a great man.

The anecdote of Pyongyang also tells that only a great man enjoys the loyalty of the people.

In Pyongyang blessed with two great men there is a philosophy and politics for the nation. The North has an ideological wealth for living its way and by itself. It is the political spirit peculiar to the North in the limelight of the planet to shape independent politics, neither depending on outside forces nor bowing to the pressure of foreign forces nor wavering in the western or eastern wind in the world where the big-power-first logic is forced.

In my opinion, the political philosophy and political spirit of the North have been so strong and steadfast that they are lauded by all the people. The North is now overcoming single-handed the pressure and blackmail of the United States and its Western allies not to be reduced again to other's slave and not to be subject to others. This spirit of the North looks far greater than that of the Koryo dynasty, a powerful country which lasted a thousand years.

The singlehearted unity of the North is the greatest wealth of the nation. Such a unity in which all the people are united with the same purpose and obligation and harmonized with each other on the basis of virtues is a product of the extraordinary leadership of secretary Kim Chong-il. With this unity, the North, being a half of a divided small country, demonstrates the might of its political force, making dignified remarks to Western powers when it feels it necessary to do so, and keeping silence like a rock when it should do so. Such prestige and power of the nation

which had never been seen in its history spanning [word indistinct] years are feats performed by secretary Kim Chong-il.

The leader being great, the history of the nation has been correctly established, the society enjoys abundance and the people have become beautiful in the North.

What is most difficult in the world is to make the people beautiful, I dare say. It is not difficult to make a [word indistinct] or build an industrial complex. But all sorts of hard works or a bible or a doctrine are not enough for making the people true human beings.

The North is the only earthly paradise on the globe which has resolved this human-historic task.

Noting that the human-historic question where lies the future of the nation has already been answered by the Pyongyang anecdote, the author of the treatise says:

It is the irresistible trend of the time that the people's mind tends toward the true leader of the nation.

The author concludes:

Public-minded South Korean people, though they are in the South, have their mind in the North. The mind tending towards the North—this is the trend among the South Korean people who see through the future of the nation.

The political art of President Kim Il-song in his eighties and secretary Kim Chong-il in his fifties are combined together to strike the world with admiration.

Think that this is a light illumining the future of the nation.

Therefore, the foundation stones of the statue of President Kim Il-song on Mansu hill in Pyongyang weigh as much as the hearts of the 70 million fellow countrymen who follow the two great men, the hearts of all the people who believe in them as in heaven. In other words it is the weight of the universe.

The future of the nation lies in the North.

Daily Warns Japan Not To Develop Nuclear Weapons

*SK1706103694 Pyongyang KCNA in English 1015
GMT 17 Jun 94*

["Dangerous Nuclear Design"—KCNA headline]

[Text] Pyongyang, June 17 (KCNA)—The Japanese Foreign Minister, Koji Kakizawa, recently said "in view of the actual conditions of international politics, it is hard to state the use of nuclear weapons is a total violation of the international law," while the Japanese Government supported the super power's doctrine of "nuclear deterrent," contending that "it is impossible to deny even the nuclear deterrent by totally denying nuclear weapons."

NODONG SINMUN today says this shows that what Japan seeks in accelerating nuclear armament is, in the long run, to use nuclear weapons as a means of realising its dominationist ambition.

It is a very grave development that the Japanese Government says "yes" to the use of nuclear weapons, the analyst says, and continues:

This sounds a note of warning that if Japan's nuclear armament were not checked, it would bring a serious disaster to mankind.

In actuality, the Japanese Government has stockpiled a large quantity of plutonium, seeking to convert Japan into a nuclear power. It launched even a space rocket capable of delivering nuclear warheads. This bespeak that all the regions of the world are within Japan's nuclear range.

Japan, which is seeking the repetition of its past policy of aggression, will make no scruple of plunging the Asian people into a nuclear disaster for the purpose of conquering Asia and restoring its old colonial empire.

If the Japanese reactionaries, captive to reinvasion ambition, think that they will get scotfree after using nuclear weapons, it is a mistake.

Japan's nuclear armament and use of nuclear weapons will drive it to destruction.

Kim Yong-sun, Japanese LDP Group Meet

*SK1706000994 Pyongyang KCNA in English 2258
GMT 16 Jun 94*

[Text] Pyongyang, June 16 (KCNA)—Secretary of the C.C., [Central Committee], the Workers' Party of Korea Kim Yong-sun today met and conversed in a friendly atmosphere with a delegation of the Japan Liberal Democratic Party headed by Taku Yamasaki, deputy secretary general of the party and member of the House of Representatives.

Former Japanese Prime Minister's Family Arrives

*SK1406215694 Pyongyang KCNA in English 1522
GMT 14 Jun 94*

[Text] Pyongyang, June 14 (KCNA)—Mutsuko Miki, wife of a former Japanese prime minister, and her family arrived here today.

They were met at the airport by O Mun-han, vice-chairman of the Korean Society for Cultural Relations with Foreign Countries.

Japanese Farmers Delegation Departs 14 Jun

*SK1706000494 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 14 June 94*

[Text] A delegation of the Japan-Korea Friendship Exchange Association of Agricultural Farmers headed by Masao Yoshida, former Social-Democratic member of the House of Representatives of Japan and chairman of the association, left Pyongyang by plane on 14 June.

The delegation was seen off at the airport by O Mun-han, vice chairman of the Korean Committee for Cultural Relations With Foreign Countries.

Symposium Denounces 'Crackdown' on Chongnyon
SK1706104594 Pyongyang KCNA in English 1028
GMT 17 Jun 94

[Text] Tokyo, June 15 (KNS-KCNA)—A symposium took place in Tokyo under the auspices of the Society of Koreans in Japan for Social and Legal Studies under the Association of Korean Social Scientists in Japan to expose the essence and injustice of the Japanese authorities' crackdown on Osaka and Kyoto organizations of the General Association of Korean Residents in Japan (Chongnyon).

Speakers at the symposium were unanimous in saying the crackdown cases were by no means accidental and they were absolutely deliberate and premeditated human rights abuses committed against the background of their malicious anti-DPRK, anti-Chongnyon campaign, and illegal acts of political suppression, and a typical national chauvinistic crime.

They said there is no change in the Korea policy of the Japanese government authorities resorting to anti-DPRK moves to isolate and stifle it on the pretext of the fictitious "nuclear issue" and that the Japanese authorities' suppression of Chongnyon organizations was completely illegal from the legal point of view.

Catholic Group Issues Statement on Chongnyon
SK1706044994 Pyongyang KCNA in English 0434
GMT 17 Jun 94

[Text] Pyongyang, June 17 (KCNA)—The Central Committee of the Korean Roman Catholic Association in a statement June 16 strongly urged the Japanese Government that the authorities stop suppression of the General Association of Korean Residents in Japan (Chongnyon) at once and severely punish those involved in it.

The Japanese authorities' recent fascist outrage against the Kyoto prefectural organization of Chongnyon following their open crackdown on its Osaka prefectural organizations is an unpardonable, heinous act of political suppression, the statement said.

It warned that if the Japanese authorities persist in their suppression of Chongnyon and Koreans in Japan by availing themselves of the international reactionaries' campaign for stifling the DPRK, they would be held entirely responsible for all the irretrievable consequences arising therefrom.

SRV Military Delegation Lay Wreaths at Cemetery
SK1706013994 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 15 Jun 94

[Text] A high-level military delegation of Vietnam led by General Doan Khue, member of the Political Bureau of the Central Committee of the Communist Party of Vietnam and minister of national defense, on 15 June laid wreaths at the Revolutionary Martyrs' Cemetery in Mt. Taesong.

Kim Kwang-chin, vice marshal of the Korean People's Army [KPA], and Duong Chinh Thuc, Vietnamese ambassador to our country, were present at the wreath-laying ceremony. An honor guard of the KPA was lined up in front of the cemetery.

The national anthems of our country and Vietnam were played and wreaths in the name of the delegation were laid amid the playing of the wreath-laying music. The participants observed a moment's silence in memory of the revolutionary martyrs who devoted their lives for the noble cause of the liberation of the country and the freedom and liberation of the people. Then the delegation looked around the revolutionary martyrs' cemetery. The delegation wrote in a record of impressions that the spirit of the revolutionary martyrs who devoted their lives for the noble cause of the liberation of the country and the freedom and liberation of the people will live eternally.

Delegation Visits Mangyongdae

SK1706014594 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 15 Jun 94

[Text] A high-level Vietnamese military delegation led by General Doan Khue, member of the Political Bureau of the Central Committee of the Communist Party of Vietnam and minister of national defense, visited Mangyongdae on 15 June.

The guests were accompanied by O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of People's Armed Forces; Kim Kwang-chin, vice marshal of the Korean people's Army [KPA]; and Duong Chinh Thuc, Vietnamese ambassador to our country.

While visiting the old Mangyongdae home, the guests listened to the immortal revolutionary history of the great leader Comrade Kim Il-song and his family, and examined the relics preserved with greatest care.

The delegation posed for photographs commemorating its visit to the old Mangyongdae home.

On the same day, the delegation visited the Kim Il-song Military General University. Inside the university campus, slogans reading "We Warmly Welcome a High-Level Vietnamese Military Delegation!," "Hurrah for Fraternal Friendship and Unity Between the People and Army of the DPRK and Vietnam!" were displayed.

A welcoming ceremony was given for the delegation at the university. The national anthems of our country and Vietnam were played and then National Defense Minister Doan Khue inspected an honor guard of the university with Vice Marshal Kim Kwang-chin. A bouquet was given to the Vietnamese national defense minister by a woman soldier.

The delegation, receiving a warm welcome, inspected various education facilities at the university. After winding up their inspection, the delegates wrote in a record of impressions that the university has an excellent educational environment and brings up military commanders in

a quality manner, and that the KPA has been prepared as an one-a-match-for-hundred army and has satisfactorily carried out its job of defending the socialist fatherland. They also wrote that they wish that the faculty and students gain greater results in their work to carry out orders and instructions of the Comrade President Kim Il-song and the supreme commander Comrade Kim Chong-il.

Next, the delegation visited the Mangyongdae Palace of Students and Children.

PRC Embassy Officials View School, Performance

*SK1706045394 Pyongyang KCNA in English 0436
GMT 17 Jun 94*

[Text] Pyongyang, June 17 (KCNA)—A friendship gathering with officials of the Chinese Embassy took place Thursday at the Pyongyang Sinri Senior Middle School on the lapse of 35 years after a class was named Mao Zedong.

Invited there were Chinese Ambassador to Korea Qiao Zonghuai and his embassy officials.

Vice-Chairman of the Committee for Cultural Relations With Foreign Countries Kim Chin-pom and other officials concerned were present.

The participants went round the school and saw a performance of art circle members before conversing in a friendly atmosphere.

British Institute 'Expert' Discounts Sanctions

*SK1506124294 Pyongyang KCNA in English 1028
GMT 15 Jun 94*

[Text] Pyongyang, June 15 (KCNA)—Grint, an expert of the International Relations Institute of Britain, said that it is a big mistake to think "sanctions" can bring North Korea to its knees, according to Radio Voice of America on June 11.

He said that 30 years have passed since the United States took a step for a total trade embargo against Cuba, but it has still failed to overthrow Cuba.

North Korea has undergone more strict trade embargo sanctions by the United States for nearly 50 years than Cuba, he said, adding:

In fact, North Korea is a communist state subjected to pressure and sanctions of the U.S. and the West for the longest period. Therefore, North Koreans will never be frightened by any "sanctions".

Cilreco Urges Talks To Settle Nuclear Issue

*SK1606233794 Pyongyang KCNA in English 2215
GMT 16 Jun 94*

[Text] Pyongyang, June 16 (KCNA)—Stanley Faulkner, vice-chairman of the International Liaison Committee for Reunification and Peace in Korea (Cilreco), in a letter sent to the president of the United Nations General Assembly recently with regard to the nuclear issue of the Korean peninsula, urged the implementation of the resolution of

the 30th session of the UN General Assembly adopted in 1975, saying countries producing nuclear weapons have been increasing tensions against North Korea. Noting that, no matter in which country they may be, nuclear weapons pose a threat to peace, the letter stressed they are contrary to the mission of the United Nations.

It contended that the DPRK and the United States should sit at the negotiating table and settle the nuclear issue of the Korean peninsula through dialogue.

Kim Il-song Sends Greetings to Iceland

*SK1606114294 Pyongyang KCNA in English 1045
GMT 16 Jun 94*

[Text] Pyongyang, June 16 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Vigdis Finnbogadottir, president of the Republic of Iceland, on the occasion of the national day of the republic.

President Kim Il-song in the message wished the Icelandic people success in their work for the prosperity of the country.

Foreign Media Note Kim Il-song's Reminiscences

*SK1506124494 Pyongyang KCNA in English 1032
GMT 15 Jun 94*

[Text] Pyongyang, June 15 (KCNA)—The Nepalese paper MAJADUR KISSAN and the Russian paper VETERAN carried "The Battle of the Tongning County Town" from the third volume and "The Kalun Meeting" from the second volume of part I—The Anti-Japanese Revolution of "With the Century", reminiscences of the great leader President Kim Il-song.

The newspapers printed portraits of President Kim Il-song.

A Burundian radio gave a detailed account of the composition and basic content of the first four volumes of part I—The Anti-Japanese Revolution.

Algerian Government Supports DPRK Policies

*SK1606044094 Pyongyang KCNA in English 0415
GMT 16 Jun 94*

[Text] Pyongyang, June 16 (KCNA)—The Algerian Government supports all the home and foreign policies pursued by the government of the Democratic People's Republic of Korea under the present-day complicated situation, said Algerian President Lamine Zeroual when he met the Korean ambassador who paid a farewell call on him on June 7.

He stressed the Algerian Government and people fully support the DPRK and the Korean people in their struggle to repulse foreign interference and achieve an independent and peaceful reunification of the country.

He said he would make every possible effort to further develop the traditional relations of friendship and cooperation between Algeria and Korea.

Seminar Marks Kim Chong-il's Work With WPK*SK1706052494 Pyongyang KCNA in English 0454
GMT 17 Jun 94*

[Text] Pyongyang, June 17 (KCNA)—A national seminar commemorating the 30th anniversary of the start of work by the dear leader Comrade Kim Chong-il at the Central Committee [C.C.] of the Workers' Party of Korea [WPK] was held at the February 8 House of Culture in Pyongyang Thursday.

It was attended by Politburo member of the C.C., the WPK and Vice-president Yi Chong-ok, Politburo member of the C.C., the WPK and Chief of the General Staff of the Korean People's Army Choe Kwang, Politburo members and secretaries of the C.C., the WPK Kye Ung-tae, Chon Pyong-ho and Han Song-yong, alternate Politburo members and secretaries of the C.C., the WPK, chief party officials in the capital and local areas, chief party officials of the Armed Forces, members and alternate members of the party Central Committee in Pyongyang, officials of the party Central Committee, chief officials and party officials of the commissions and ministries of the administration council and central organs, officials of the Pyongyang municipal party committee, theoretical and propaganda officials of party cadre training centers and in the fields of science, education, culture and art and the press and officials of the People's Armed Forces and public security organs.

Secretaries of the C.C., the WPK Kye Ung-tae, Han Song-yong, Kim Ki-nam, first vice department director of the party Central Committee Yom Ki-sun, director of the Party History Institute of the Central Committee of the party Kang Sok-sung, chief secretary of the North Hwanghae provincial party committee Choe Mun-son, general of the Korean People's Army Yi Pong-won, director of the political department of the Ministry of Marine Transport Kim Chol-son, chief secretary of the party committee of the Nampo Smelting Complex Hong Sa-yon, secretary of the Pyongyang municipal party committee Chang In-su, chief secretary of the Sadong District party committee No Myong-chu spoke on the subjects "Acclaiming the Dear Leader Comrade Kim Chong-il at the Head of the Party Is a Historical Event Which Ushered in a Great Heyday in Party Building and Accomplishment of the Revolutionary Cause," "Great Feats in Definitely Providing Fundamental Guarantee for the Accomplishment of the Socialist Cause by Thoroughly Establishing Party's Monolithic Leadership System Over Revolution and Construction," "The Dear Leader Comrade Kim Chong-il's Idea and Theory of Party Building Is the Immortal Banner of the Building of the Chuche-type Revolutionary Party," "Brilliant Guidance in Strengthening and Developing Our Party To Be a Glorious Revolutionary Party of Chuche Type," "Great Guidance in Carrying Forward the Purity of the Party's Blood by Successfully Inheriting and Developing the Revolutionary Traditions," "Brilliant Exploits in Building Our Party To Be Mother Party Devotedly Serving the People," "Great Feats in Strengthening and Developing the People's Army To Be a Matchless and Invincible Revolutionary Army

Resolutely Defending the Party and Revolution With Guns," "Undying Feats in Providing a Harmonious Whole of the Leader, the Party and the Masses by Applying Revolutionary Philosophy of Singlehearted Unity," "A Unique Party Life Guidance System Which Has Brought a Revolutionary Turn in the Party Life of the Party Members," "Brilliant Feats in Effecting a Fundamental Turn in the Party's Ideological Work by Establishing the Party's Monolithic Leadership," and "To Strengthen the Party Work Under the Leadership of the Dear Leader Comrade Kim Chong-il Is a Decisive Guarantee for Defending and Exalting the Socialist Cause."

The speakers said that the start of work by the dear leader Comrade Kim Chong-il at the Central Committee of the Workers' Party of Korea on June 19, 1964, with the great intention to carry to accomplishment the revolutionary cause of chuche pioneered by the great leader President Kim Il-song is the highest glory to our party and people and a historical event which brought about a fundamental turn in accomplishing the chuche cause of revolution and the human cause of independence.

With Comrade Kim Chong-il acclaimed at the head of the party, they said, our party and people have become able to vigorously develop the revolutionary idea and achievements of the great leader down through generations and a great heyday never seen in the history of party building and fulfilment of the revolutionary cause has been ushered in.

They noted that the dear leader set forth the chuche-based idea and theory of party building with his rare ideological and theoretical wisdom and successfully applied them to the practice of party building with his extraordinary leadership ability, thereby strengthening and developing the Workers' Party of Korea to be a great chuche-type revolutionary party.

They elaborated on the imperishable feats performed by him in the cause of party building such as firmly ensuring the politico-ideological unity of the whole party around the great leader Comrade Kim Il-song and building our party into a mother party devotedly serving the people.

As he reared the Korean People's Army to be a matchless, invincible and revolutionary army with his outstanding and tested leadership, a reliable military guarantee has been provided to defend the sovereignty of the country and the dignity of the nation and firmly safeguard the cause of socialism, they said.

They stressed the need for the whole party and entire people to vigorously accelerate the socialist cause under the leadership of the dear leader Comrade Kim Chong-il.

Yi Chong-ok Attends Meeting*SK1706050494 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 16 Jun 94*

[Excerpts] A national seminar was held at the 8 February Cultural hall on 16 June to mark the 30th anniversary of the start of the work by Comrade Kim Chong-il, the dear

leader of our party and our people, at the Central Committee of the Workers' Party of Korea [WPK].

Portraits of Comrade Kim Il-song, the great leader of our party and our people, and the dear leader Comrade Kim Chong-il were placed in the front of the seminar hall.

Also placed at the meeting were slogans that read "Long live the great leader Comrade Kim Il-song!" and "Long live the honorable Workers Party of Korea!" [passage omitted]

Present on the rostrum were Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of General Staff of the Korean People's Army [KPA]; Comrades Kye Ung-tae, Chon Pyong-ho, and Han Song-yong, members of the Political Bureau of the WPK Central Committee and secretaries of the Party Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the Party Central Committee; Comrade Choe Yong-nim, candidate member of the WPK Central Committee and vice premier of the Administration Council; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Paek Hak-nim, vice marshal of the KPA; Comrades Kim Chung-nin, So Kwan-hui, Hwang Chang-yop, Kim Ki-nam, Kim Kuk-tae, and Kim Yong-sun, secretaries of the WPK Central Committee; Comrade Yun Ki-pok, chairman of the Economic Policy Committee of the Central People's Committee; responsible party functionaries from the central and provincial institutions and the Armed Forces institutions.

Comrade Choe Tae-pok made the opening speech.

Comrades Kye Ung-tae, Han Song-yong, and Kim Ki-nam, secretaries of the WPK Central Committee; Yom Ki-soon, first vice director of a department of the WPK Central Committee; Kang Sok-soon, director of the Party History Institute of the WPK Central Committee; Choe Mun-son, responsible secretary of North Hwanghae Provincial Party Committee; KPA General Yi Pong-won; Kim Chol-son, director of the Political Department of the Marine Transport Ministry; Hong Sa-yon, responsible secretary of the Nampo Smelter Complex Party Committee; Chang In-su, secretary of the Pyongyang Municipal Party Committee; and No Myong-chu, responsible secretary of the Sadong District Party Committee, took part in discussions. [passage omitted]

Kye Ung-tae Speaks at Seminar

*SK1706052094 Pyongyang KCNA in English 0505
GMT 17 Jun 94*

[Text] Pyongyang, June 17 (KCNA)—Kye Ung-tae, Politburo member and secretary of the C.C. [Central Committee], the WPK [Workers' Party of Korea], took the floor at a national seminar held here Thursday to commemorate

the 30th anniversary of the start of work by the dear leader Comrade Kim Chong-il at the Central Committee of the Workers' Party of Korea.

He said:

On June 19, 1964 dear Comrade Kim Chong-il began to guide the party work at the party Central Committee, complying with the ardent desire and organisational will of the whole party and the entire people for him to lead in the van the sacred revolution to carry forward the cause of the respected leader Comrade Kim Il-song. With this great event our party has become a revolutionary party which successfully solved the question of inheriting the leader's cause for the first time in history.

With the dear leader Comrade Kim Chong-il standing at the head of the party, a great heyday has come in the building of our party and accomplishment of the revolutionary cause in the past 30 years, our party and people have been able to vigorously carry forward the revolutionary idea and feats of the great leader Comrade Kim Il-song, our party has been able to exalt a glorious revolutionary party successfully carrying on the revolution for the independence of the popular masses under the banner of modelling the whole party and society on the *chuche* idea.

The dear leader clarified that the most correct way for the building of socialism and communism in our era is to dye the whole party and society with the *chuche* idea, the revolutionary idea of the great leader correctly reflecting the independent demand and interest of the popular masses.

An unprecedented change has taken place in all fields of socialist construction in a historically short period in our country under the wise leadership of the dear leader Comrade Kim Chong-il who has steadfastly turned the helm of revolution and construction to modelling the whole party and society on the *chuche* idea.

Under his wise guidance the work of modelling the whole party on the *chuche* idea has been stepped up, so that the features of our party as a great party have been fundamentally changed, its militancy and leadership role remarkably strengthened and the whole party and the entire people have formed an integral whole rallied close around the leader in an organisational and ideological way.

A great turn has taken place in socialist economic construction, cultural building and revolutionary armed force building as the driving force of our revolution has been strengthened and its role enhanced under the party's leadership.

Today the economy of our country has been more firmly consolidated as the socialist independent national economy, unaffected by any worldwide economic fluctuation and any economic blockade of the imperialists, and magnificent creations glorifying the Workers' Party era built in succession across the country to fundamentally change the features of the country.

Along with this, a great heyday of *chuche*-based literature and art has been brought by the rapid development of socialist national culture.

Under the energetic leadership of respected Supreme Commander Comrade Kim Chong-il the modelling of the whole Army on the *chuche* idea has been propelled and thus our People's Army has grown up to be a true army of the party unfailingly loyal to the party and the leader and acting as one under the party's leadership and to be an unrivalled strong army equipped with powerful offensive and defensive means enough to defeat any aggressor at one stroke.

The immortal feats of the dear leader Comrade Kim Chong-il who has ushered in the great heyday in building our party and carrying out the revolutionary cause with his profound revolutionary idea and great revolutionary practice will shine forever down through generations along with the history of the revolutionary struggle of the popular masses for independence.

Kim Ki-nam Delivers Speech

SK1706054694 Pyongyang KCNA in English 0515 GMT 17 Jun 94

[Text] Pyongyang, June 17 (KCNA)—Kim Ki-nam, secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK], made a speech at the national seminar held here Thursday upon the lapse of 30 years since the dear leader Comrade Kim Chong-il began working at the C.C., the WPK.

He said the main fruition of the leadership of the dear leader Comrade Kim Chong-il over the past three decades since he began to work at the WPK Central Committee is that he has strengthened and developed the WPK to be an ever-victorious revolutionary party of *chuche* type and to be authoritative vanguard of the world socialist movement standing in the foreground of modern history.

Noting that the dear leader's idea and theory of party building are the immortal banner of the building of the revolutionary party of *chuche* type, he said:

His idea and theory of party building serve as the guideline that, first of all, indicates the most correct way of building the working-class party as a leading political organization for realising the idea and guidance of the leader.

The dear leader gave the famous formulation that the working-class party is, in essence, the party of the leader, basing himself on the stark fact that the WPK was founded and has been strengthened and developed by the great leader President Kim Il-song and on the principle of the *chuche* philosophy that the oneness of the ideology, leadership and unity must be ensured in the socio-political organism with the leader, its brain, in the centre.

Having formulated the essence and mission of the working-class party with the leader in the centre, he set it as the fundamental principle of party building to establish a monolithic ideological system in the whole party, thus becoming the first in history to indicate a correct way of building the party as the leader's.

His idea and theory of party building are a guideline that shows the most correct way of building the working-class party as a genuine party of the people which assumes responsibility for their destiny and serves them.

The working-class party is necessary for the people and only when it is united with the people in one mind, it has viability—this is the basic stand of the dear leader toward the party building.

The dear leader has established *chuche*-based principles and mode of politics with benevolent politics and magnanimous politics as the main point and gave a full exposition of the revolutionary method of party work and popular working style.

The immortal significance of his idea and theory of party building also lies in that they are the guideline which indicates the most correct way of building the working-class party as an independent and creative party.

The dear leader has held high the banner of *chuche*, the banner of independence and creation in party building and party activities, wholly inheriting the idea and will of the respected leader President Kim Il-song, who had hewn the path of independence and creation under the banner of the great *chuche* idea.

With the dear leader's idea and theory of building an independent and creative party successfully realized, the WPK has been strengthened and developed to be the most dignified and authoritative party of *chuche* that maintains our way in the organizational and ideological work and in the establishment of leadership art and shapes and carries out the revolutionary line and policies of the party in our way.

Indeed, the dear leader's idea and theory of party building are an ideological and theoretical summing up of the historical experience and lesson gained in the communist movement in the 20th century and the building of working-class party and an immortal banner of the revolutionary party building in the era of *chuche*.

Han Song-yong Addresses Seminar

SK1706102394 Pyongyang KCNA in English 1006 GMT 17 Jun 94

[Text] Pyongyang, June 17 (KCNA)—Han Song-yong, member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, made a speech at the national seminar held in Pyongyang on June 16 to commemorate the 30th anniversary of the start of work by the dear leader Comrade Kim Chong-il at the Central Committee of the Workers' Party of Korea.

The speaker elaborated on the wise leadership of the dear leader in establishing the monolithic leadership system of the party.

He said:

"The dear leader has energetically directed a substantial work of laying solid foundations of the party, putting the main stress on the cultivation of loyalty among the cadres,

party members and other working people and on the defence of the centre of unity and leadership, that are carried forward through generations, thus successfully carrying out the difficult and complicated work of establishing the monolithic leadership system of the party in the whole party and society.

"The establishment of the party's monolithic leadership system over the revolution and construction in our country is a great historic event which provided a decisive guarantee for winning the final victory of the socialist cause.

"It, above all, gave a fundamental guarantee for carrying out socialist construction in our country strictly as intended and desired by the great leader President Kim Il-song.

"Today the Korean people are unswervingly advancing socialist construction in accordance with the idea and intention of the great leader entirely because the party's monolithic leadership system over the revolution and construction has been firmly established.

"The establishment of this monolithic leadership system also provided a firm guarantee for victoriously advancing socialist construction by enhancing the party's leading role.

"The dear leader has converted the whole party and society into invincible units with strong organisation and discipline, which act as one under the unitary leadership of the leader.

"Thanks to the thorough establishment of the monolithic leadership system of the party by the dear leader, the politico-ideological strength of our society based on the singlehearted unity of the leader, the party and the masses has grown greater than ever before to provide a strong motive force of socialist construction, enhance the revolutionary zeal and creative enthusiasm of the people day by day, effect a constant revolutionary upsurge in all domains of socialist construction, and organise and mobilize the human and material forces of the whole country in a uniform, intensive and planned way in implementing the line and policies of the party." The speaker stressed that the destiny of the socialist cause of the Korean people is staked on the monolithic leadership system of the party, which is the source of its sure victory.

Kim Chong-il Sends Birthday Table to Centenarian

*SK1606113994 Pyongyang KCNA in English 1029
GMT 16 Jun 94*

[Text] Pyongyang, June 16 (KCNA)—The dear leader Comrade Kim Chong-il on June 15 sent a benevolent centenary birthday table to Yun Chin-ok residing in Kim Chaek City, North Hamgyong Province.

Born into a fisherman's family, she was subjected to all manner of maltreatment and humiliation in the period of the feudal rule and during the harsh Japanese imperialist rule. She could enjoy a happy life after the liberation of the country and, now, has attained the age of 100 years thanks to the popular health policy of the party and the state.

She is still in good health with a family of more than 50.

Construction of City Hospital Enters Last Stage

*SK1706000594 Pyongyang KCNA in English 2218
GMT 16 Jun 94*

[Text] Pyongyang, June 16 (KCNA)—The construction of the Pyongyang Municipal People's Hospital No. 3 is progressing in the last stage.

Situated at the sunny foot of a hill in Kwangbok street of the capital city, it consists of wards for outpatients, medical treatment and inpatients, mess halls and auxiliary buildings. The total floor space is 15,300 square metres.

The three-storied ward for outpatients will have all sections for the treatment of patients.

The ward for inpatients is the largest building of the hospital. It has one story underground and seven stories above the ground. Available in it will be more than 100 sickrooms and wonderful hygienic and service facilities for inpatients.

The underground rooms will be occupied by a barber's shop, beauty parlour, an oxygen room, a room for repairing medical apparatuses, etc.

Particular efforts have been put into the construction of the operation rooms. There are five operation rooms in the ward for medical treatment and two in the ward for outpatients. They will be furnished on the highest level.

The builders of the hospital which will be conducive to the promotion of the health of the citizens of the capital city are now concentrating on the assembly of equipment to move up the date of the opening of the hospital.

South Korea

IAEA Welcomes DPRK Decision on Inspectors

*SK1606230694 Seoul KBS-1 Radio Network in Korean
2200 GMT 16 Jun 94*

[By correspondent Cha Man-sun from Vienna]

[Text] The International Atomic Energy Agency [IAEA] has welcomed North Korea's decision to allow inspectors to stay behind in North Korea. The agency, however, revealed that it has not received any notification regarding this from North Korea. IAEA spokesman Hans Meyer said that the IAEA welcomes such a step taken by North Korea since it corresponds with IAEA demands. He added that the IAEA maintains close contacts with its two inspectors still in Yongbyon.

Further on IAEA Reaction

*SK1706133994 Seoul KBS-1 Radio Network in Korean
1301 GMT 17 Jun 94*

[“YONHAP from Vienna”]

[Text] The International Atomic Energy Agency [IAEA] has welcomed President Kim Il-song's promise to allow

IAEA inspectors to stay in North Korea, but it has indicated that it is too early to assess if North Korea fulfills obligations of the Nuclear Safeguards Accord.

In an interview with an Austrian radio station today, IAEA spokesman David Kyd stressed that it is important to confirm if IAEA inspectors would have access to North Korea's seven declared nuclear facilities and that at present no details have been disclosed regarding it. He also said that details must be disclosed within a few days.

Regarding North Korea's announcement that it will observe obligations of the Nuclear Safeguards Accord, a Vienna-based diplomatic source said that such a proposal by North Korea cannot be a breakthrough in resolving the nuclear issue and stressed: To find a breakthrough, North Korea should announce that it would allow the IAEA team to inspect their seven declared facilities. Actually, the nuclear inspections should be carried out in North Korea.

Seoul 'Cautiously Welcomes' Kim Il-song's Remarks

SK1706001894 Seoul YONHAP in English 0006 GMT 17 Jun 94

[Text] Seoul, June 17 (YONHAP)—South Korea on Friday cautiously welcomed North Korean leader Kim Il-song's indications that his country would remain in the Nuclear Non-Proliferation Treaty (NPT). Foreign Minister Han Sung-chu spoke over the phone with U.S. Secretary of State Warren Christopher early Friday morning and was briefed about former President Jimmy Carter's meeting with Kim in Pyongyang, ministry officials said.

"We consider Kim's remarks as an indication that North Korea is willing to resolve the nuclear problem through dialogue," a Foreign Ministry official said in reaction.

"We will, of course, have to wait until we hear directly from Carter on his talks with Kim," the official said, "but we cautiously welcome North Korea's gesture."

Kim was quoted as telling Carter in their first meeting Thursday that his government has changed its mind and will let two inspectors from the International Atomic Energy Agency (IAEA) remain in North Korea.

Another ministry official called this a highly symbolic move on Pyongyang's part, since permission for the inspectors to stay suggests North Korea will remain in the Nuclear Non-proliferation Treaty (NPT) regime.

Carter and Kim are to hold a second meeting Friday before the former U.S. President returns to Seoul.

Pyongyang has threatened repeatedly to bolt the NPT if the U.N. Security Council went ahead and adopted a sanctions resolution. A draft of the resolution was circulated Thursday.

CNN reported that Kim said North Korea would not engage in any reprocessing or refueling, the two core activities involved in producing plutonium.

"We have yet to verify this part, but if true, we certainly welcome that," the ministry official said. "This is the right way to guarantee transparency in present and future nuclear activities."

Of minor concern here was Kim's failure to mention anything about clarifying his country's past nuclear activities. "But this does not have to be done before North Korea-U.S. high-level dialogue. This issue was to be discussed at the high-level dialogue, anyway," the official said.

Ministry on Remarks by DPRK's Kim, U.S. Statement

SK1706023094 Seoul YONHAP in English 0222 GMT 17 Jun 94

[Text] Seoul, June 17 (YONHAP)—South Korea will first verify the exact meaning of North Korea's suggestions to former U.S. President Jimmy Carter and consult with Washington before deciding on future action, Foreign Ministry spokesman Chang Ki-ho said Friday.

"They are all indications," Chang said at a press briefing in reaction to reports that North Korean leader Kim Il-song told Carter he would let International Atomic Energy Agency (IAEA) inspectors remain in North Korea and was willing to keep monitoring equipment in operation.

U.S. Assistant Secretary of State Robert Gallucci issued a statement from the White House after receiving a report from Carter, suggesting that Washington may enter into the next round of high-level dialogue with Pyongyang if these positive indications are confirmed.

Foreign Minister Han Sung-chu talked with U.S. Secretary of State Warren Christopher three times Friday morning to discuss Carter's report and consult on the wording of Gallucci's statement, Chang said.

Noting North Korea's desire to resolve the nuclear crisis, Gallucci said the Stalinist nation's suggestions would indeed be constructive "if it means that North Korea is also committed to freezing the major elements of its nuclear program while new talks took place—that is, not refueling the reactor or reprocessing the spent fuel it has just removed and permitting the IAEA to maintain the continuity of safeguards."

"The government plans to continue to pursue negotiations on the sanctions resolution at the United Nations," Chang said.

"We will be briefed by Carter tomorrow on the results of his North Korean visit. We will decide what to do after consultations with the U.S. side," the spokesman noted.

U.S., UN Council Continue Talks on Sanctions

SK1706010794 Seoul YONHAP in English 0050 GMT 17 Jun 94

[Text] United Nations, June 16 (YONHAP)—The United States held an informal meeting Thursday afternoon with

the 10 non-permanent members of the UN Security Council to discuss a draft resolution on sanctions against North Korea.

U.S. Ambassador to the United Nations Madeleine Albright told reporters that although North Korea had signaled reconciliation in talks with former American leader Jimmy Carter, President Bill Clinton instructed her to continue discussions with the council members on sanctions against North Korea.

Asked how the new offer by North Korea would affect the push for sanctions, she said she could not disclose it as the U.S. Government was studying the proposal.

In view of remarks by Assistant Secretary of State Robert Gallucci that Washington would consider holding a third round of talks with Pyongyang, the members of the Security Council are expected to slow down their sanctions deliberations.

Government To Continue Cooperation on Sanctions

SK1706031094 Seoul YONHAP in English 0258 GMT 17 Jun 94

[Text] Seoul, June 17 (YONHAP)—The South Korean Government, judging that the North Korean nuclear dispute has entered a new phase with former U.S. President Jimmy Carter's visit to Pyongyang serving as a turning point, has decided to concentrate on a peaceful solution to the issue through dialogue such as a high-level meeting between Washington and Pyongyang.

Foreign Minister Han Sung-chu, in close contact with U.S. Secretary of State Warren Christopher, is closely monitoring Carter's second meeting with North Korean leader Kim Il-song Friday.

The government will announce its position on North Korea's new sign of reconciliation after President Kim Yong-sam meets with Carter over the weekend to discuss the results of his Pyongyang visit.

But the government will continue to push for a U.N. Security Council resolution on sanctions against North Korea if there is no positive change in its nuclear policy.

The decisions came at a Unification and Security Policy Coordination Committee meeting presided over by Unification Minister Yi Hong-ku Friday to discuss the overture made by North Korea at Carter's first meeting with Kim Il-song Thursday.

In case the high-level U.S.-North Korea talks resume, the government will push to secure the transparency of the North's past nuclear development activities.

Carter reportedly said the Washington-Pyongyang talks may resume if North Korea freezes its nuclear program.

Preparing for the possibility that North Korea's peace offensive is designed to avoid international sanctions through delaying tactics, the government will continue

seeking the cooperation of China, Russia and other countries to gain U.N. Security Council passage of a sanctions resolution on North Korea.

Unification Ministry spokesman Kim Hyong-ki said the government will reveal its position on developments during Carter's visit to Pyongyang after President Kim is briefed by the former U.S. leader Saturday.

The government will concentrate on finding a peaceful solution to the nuclear issue through dialogue, he added.

Foreign Minister Han talked over the phone with Secretary Christopher Thursday evening and Friday morning to discuss what Kim Il-song told Carter during their meeting Thursday.

"Assistant Secretary of State Robert Gallucci issued a statement this morning as a result of Han's telephone conversation with Christopher," the spokesman said.

Foreign Minister Discusses Draft Resolution

SK1706084694 Seoul SEOUL SINMUN in Korean 17 Jun 94 p 4

[Report on meeting between Foreign Minister Han Sung-chu and reporters in Seoul on 16 June on the draft resolution for UN sanctions against North Korea—by reporter Yang Sung-hyon]

[Text] Foreign Minister Han Sung-chu announced on 16 June: "The government has accepted the draft resolution worked out by the United States on the UN Security Council sanctions on North Korea." He then said that he "will make every possible diplomatic effort for this draft resolution to be adopted."

In an emergency meeting with reporters on the morning of that day, Minister Han said the above and added: "Our government's intent has considerably been reflected in the draft resolution."

[Unidentified reporter] What is the composition of the draft resolution worked out by the United States?

[Han Sung-chu] It is composed of a preamble and 20-point text. It can be summed up into the preamble and seven sorts of sanctions.

[Unidentified reporter] Is the Russian proposal for eight-party talks mentioned in the draft resolution?

[Han] It does not directly mention the Russian proposal but specifies that international talks could be promoted if North Korea meets the demands expressed in the resolution.

[Unidentified reporter] Does it include any warning to North Korea of sanctions that may be imposed on it if North Korea declares its withdrawal from the Nuclear Nonproliferation Treaty?

[Han] Yes, it does. For example, suspension of remittances to North Korea and the freezing of assets are mentioned.

[Unidentified reporter] What is China's reaction to it?

[Han] I think China was notified of the U.S. draft resolution on the evening of 15 June our time. However, I have received no information on China's reaction. At present, it is hard to predict the Chinese reaction. What China must immediately decide is whether it will discuss the resolution with members of the UN Security Council or will express its own position on the draft resolution first. I think we shall learn it soon.

[Unidentified reporter] How much has our intent been reflected in the draft resolution?

[Han] The draft considerably reflects the result of working-level discussions by the ROK, the United States, and Japan that was confirmed during my recent visit to the United States. It contains effective constitution [hyogwa-jogin naeyong]. I think it will be a very strong means of pressure if it is adopted as it is.

[Unidentified reporter] What influence has North Korea's declaration of its withdrawal from the International Atomic Energy Agency exerted upon the draft resolution?

[Han] It accelerated the speed of working out the draft, rather than influenced its contents.

[Unidentified reporter] Do you think the UN Security Council will proceed with the adoption of the draft by putting it to a vote?

[Han] We have to see the result of further discussions on it. However, whether it will be put to a vote or not depends on North Korea's attitude, not on further discussions.

[Unidentified reporter] The draft resolution contains an item forbidding the export of weapons. I wonder if it includes the authority to search ships.

[Han] Embargo means more than the ban of exports. As is seen in all other resolutions on sanctions, a formula on the details of sanctions in this draft will separately be prepared.

[Unidentified reporter] What sanctions can we exercise?

[Han] Since it is based on international cooperation, I think we have to play a big role when the draft is adopted. We will have many to do so diplomatically and bilaterally [with North Korea].

[Unidentified reporter] How are behind-the-scene contacts between the United States and North Korea going?

[Han] Although U.S. media report that they have contacts behind the scene, there has been no enveloped move between them.

[Unidentified reporter] What is your opinion on the nullification or abolition of the declaration on denuclearizing the Korean peninsula that is included in the draft on sanctions?

[Han] The government has mentioned that it is difficult to implement the declaration on denuclearization, but it is

not reconsidering it. It is the government's basic principle that the declaration on denuclearization should be implemented.

Government Not To Oppose New U.S.-DPRK Talks

*SK1706023894 Seoul KBS-1 Radio Network in Korean
0200 GMT 17 Jun 94*

[Text] North Korea's nuclear issue, which had entered a confrontational stage because of North Korea's withdrawal from the International Atomic Energy Agency, seems to face a new phase with the talks between former U.S. President Carter and North Korean President Kim Il-song.

This morning, the government held a Unification-National Security Coordination Council meeting during which it fine-tuned its position not to oppose the third round of talks between the United States and the North if North Korea's new conciliatory gesture, including its policy of allowing inspectors to remain in the DPRK—revealed by former U.S. President Carter now on a visit to the North—turns out to be true.

However, if the U.S. Clinton administration focuses on having North Korea freeze its nuclear development plan, it will be difficult to guarantee the transparency of its past nuclear suspicion. On the basis of this judgment, the government decided to convey to the U.S. side its firm position on this point.

The government also decided to fine-tune its final position after President Kim Yong-sam is briefed on the result of former President Carter's visit to the North, who will return to Seoul through Panmunjom tomorrow.

Defense Ministry Discounts DPRK Military Threat

*SK1706055394 Seoul KBS-1 Radio Network in Korean
0400 GMT 17 Jun 94*

[Text] The National Defense Ministry disclosed that North Korea has not demonstrated any peculiar military moves, while it is now intensifying its peace offensive to the United States through the talks between former U.S. President Carter and President Kim Il-song as momentum.

The Ministry of National Defense disclosed in a report on moves by North Korea: North Korea is proclaiming over loud speakers directed at the South's front line that it neither has the intention nor the capability to develop nuclear weapons, while stressing that they will not withdraw from the International Atomic Energy Agency until the nuclear issue is resolved through dialogue [iaearul taltoe haji anul kossimul chujanghaetta]. [sentence as heard]

The Ministry of National Defense also disclosed: Although the North Korean Air Force continues to be somewhat actively engaged in flight exercises, its ground force and Navy are not showing any particular movements except their routine guard activities.

Further on Ministry Report

SK1706071594 Seoul YONHAP in English 0653 GMT
17 Jun 94

[Text] Seoul, June 17 (YONHAP)—The Ministry of Defense revealed Friday that the military activities of North Korea's Army and Navy are not surpassing peacetime levels while those of the Air Force have picked up slightly.

In the first briefing on Pyongyang's military activities since it decided to keep the media informed on a daily basis, the ministry added that the North Korean Air Forces' activities involved flight training within the boundaries of their bases and no threatening tactical training was being conducted.

The ministry quoted radio Pyongyang as saying that "the nuclear problem and other outstanding issues could be solved smoothly if the United States respected our sovereignty and treated us fairly." However, the ministry said Pyongyang was waging psychological warfare by also denouncing Seoul through its central broadcasting station, which commented that "the South's insistence on the inevitability of sanctions on the North is an anti-national act which is aimed at hurting (those of) the same blood."

It said the North's strategy is intended to foster unrest and confusion in the South. "It is desirable for the people not to react sensitively to each threatening word from the North but to devote themselves instead to their jobs."

DPRK Said Unlikely To Provoke Armed Conflict

SK1706072794 Seoul YONHAP in English 0712 GMT
17 Jun 94

[Text] Seoul, June 17 (YONHAP)—Although international concern over the possibility of an all-out war on the Korean peninsula is deepening, defense officials here in general believe that North Korea is unlikely to provoke an armed conflict.

The officials say their judgment is based on the North's current military power, the combined defense capability of South Korean and U.S. military forces, and the political stands of major powers around the peninsula including the United States, China and Russia.

Pyongyang announced its withdrawal from the International Atomic Energy Agency (IAEA) this week, inviting possible sanctions by the United Nations and heightening tension on the peninsula.

The United Nations Security Council is discussing adoption of a draft sanctions resolution, while North Korea has warned that any sanctions would amount to a "declaration of war."

As further grounds for their assessment, the defense officials are citing vulnerable points that undercut the North's quantitative military superiority over the South.

The performance of North Korea's weapons systems, ministry officials explained, is not very good and the "military

exercise period" of its Air Force and Navy is only one-third that of the South. Moreover, the ability of the North's quartermaster supply including war material and ammunition is low, the officials said.

In particular, shortages of oil and food would hamper North Korea from continuing an all-out war over a certain period of time. The rates of self-supply for oil and food are just 40 percent and 60 percent, respectively, according to the ministry.

On the combined defense capability of South Korean and U.S. Forces, the ministry said that even if North Korea provoked a war, the South Korea-U.S. combined military power could repel an attack in the early stages.

Hundreds of thousands of ground forces, several carrier battle groups, hundreds of warships and thousands of fighter planes would be added to the current combined forces to produce an overwhelming victory against North Korea in a very short period.

With its war capacity, the Defense Ministry expects that North Korea would not dare to provoke an armed conflict unless Kim Il-song gave in to despair and decided to commit virtual suicide, the officials said.

Finally, although Russia and China have not expressed support for a UN sanctions resolution, they do not want North Korea to develop nuclear weapons, either. That point is an important factor mitigating against war on the Korean peninsula, they emphasized.

These countries are not actively supporting UN sanctions against North Korea in a bid to increase their influence, but it is unlikely they would back the reclusive nation militarily if it provoked a war.

"North Korea could never provoke a war under the circumstances," a senior official said.

"The United States can easily concentrate its military power on the Korean peninsula since it is not intervening militarily anywhere in the world at the moment."

But the officials are not ruling out the possibility that North Korea may provoke a local skirmish near the truce line.

'Self-Restraint' Urged To Overcome Crisis

SK1706025394 Seoul SEOUL SINMUN in Korean 16
Jun 94 p 3

[Editorial: "Crisis Over North's Nuclear Issue and the People's Attitude"]

[Text] Public sentiment, which had shown little distress characteristic of a mature disinterest, has now started to display a gradual uneasiness. It has been reported grocery stores are crowded with people stockpiling packed Chinese noodles, tissue paper, and butane fuel. Anticipating and preparing for a disaster is a natural act of a head of a family and this is an act not to be criticized. Our people are instinctively accustomed to preparing for a disaster with the irrational unpredictable group ruling in the North.

We need to ponder, however, if our immediate reaction to overcome the present crisis should be stockpiling daily necessities. Will stockpiling material goods really help us get out of the serious crisis we might be facing? Will we be able to boil the Chinese noodles if the water and electricity supply is cut off in a high-rise apartment?

Instead, we ought to begin to exercise self-restraint and pull ourselves together. We should rectify the trend of society that is moving toward depravity in which imprudent people do not care about the country or society in their decadent extravagance and in which people in their selfish indulgence do not know the virtue of living together. We must turn these social conditions into a healthy social environment.

To this end, we should refrain from making vain assurances, political circles should stop the insincere habit of dividing and feuding, and the leading circles should reflect if they have given up the habit of hurting the other side even in a crisis.

The North's motive in continuing war threats against us, while it has no possibility of winning the war, is evident. The North intends to cause confusion and damage in the South, thereby securing an advantageous position in negotiations. What is the way to stop in advance the North's provocation, which the North can perpetrate foolishly. Our natural resources were not responsible for the material wealth we were able to attain from the helpless poverty and scars of war—it was our spiritual ability that enabled us to achieve what we have today. Therefore, what the North's reckless group fears is our stubborn spiritual ability. If we run about in confusion and panic, the North will focus on this disaster. We should maintain a firm stance and arm ourselves with the will to overcome the national crisis. This could lead the North's rulers to reconsider their foolish illusion.

The government is setting up a contingency plan to cope with an emergency. Instead of stockpiling, which is prompted by selfishness and which causes confusion, we should help the government carry out its plan to deal with the crisis and explore ways to survive together. This is a more effective way to cope with the crisis. Civil defense exercises, training programs, and air-raid and disaster drills should realistically educate citizens to overcome the emergency. We are confident we will win. To win, however, everyone should not neglect his or her responsibility to overcome the crisis. Now is the time everyone should be aware of this.

Government Briefs Foreign Diplomats on DPRK

SK1706090394 Seoul YONHAP in English 0846 GMT 17 Jun 94

[Text] Seoul, June 17 (YONHAP)—The Foreign Ministry briefed members of the foreign diplomatic corps here Friday as part of efforts to subside war scares on the Korean peninsula.

Assistant Foreign Minister Choe Tong-chin held a special national security briefing at the ministry for some 100

attendees, explaining that South Korea is fully monitoring any movement in North Korea and has not detected any sign of danger.

Explaining the latest development on the North Korean nuclear situation, the assistant minister emphasized that South Korea is fully ready to detect and counter any armed provocation.

ROK Protests 'Exaggerated' CNN Coverage

SK1706093694 Seoul YONHAP in English 0929 GMT 17 Jun 94

[Text] Seoul, June 17 (YONHAP)—The South Korean Government on Friday lodged a formal protest with the CNN (Cable News Network) of the United States against its "misleading and exaggerated" reports on the Korean situation in connection with the North Korean nuclear issue.

In the protest filed with the CNN's Seoul Bureau, the Information Ministry said the CNN was abetting the "theory of war crisis in Korea" through "misleading and exaggerated" reports on the reality of the Korean peninsula.

The ministry strongly asked the CNN to stop filing similarly exaggerated and misleading reports.

The protest said that the CNN, for instance, covered the routine civil defense drill of last June 15 in a way that made it appear as if the South Koreans were preparing for a war in earnest.

This was the first time the Seoul Government filed a formal protest with major American press media.

An observer said that such inflated reporting by the CNN apparently stemmed from their policy to make the Korean situation another opportunity to expand their influence. The CNN very profitably covered the Gulf war, he added.

Foreign Minister Speaks on Priority World Issues

SK1406032194 Seoul YONHAP in English 0221 GMT 14 Jun 94

[Text] Seoul, June 14 (YONHAP)—Foreign Minister Han Sung-chu Tuesday labeled nuclear weapons and the environment as critical issues for the world in the coming century.

Scientists widely believe that cultural evolution brought about material comfort and prosperity while also posing dangers to human existence, Han said in a speech at the international media conference on the environment and development.

"As we try to connect this view of natural science to that of social science, we will find that they match perfectly at this juncture, a juncture where the world is struggling to cope with the end of the Cold War and the conclusion of the Uruguay Round," said Han.

"The former has pushed forward the nuclear question, whereas the latter has catapulted the environmental question to the center stage," the foreign minister said.

"...The dual questions, nuclear weapons and the environment, have become critical issues for the world and especially for Korea, which also is arguably the most densely populated country in the world," said Han.

The foreign minister emphasized the need for regional cooperation in Northeast Asia, which is "characterized by a high population concentration and dynamic economic activity."

Official Views Upcoming Economic Talks With U.S.

SK1706013494 Seoul YONHAP in English 0113 GMT
17 Jun 94

[Text] Seoul, June 17 (YONHAP)—South Korea and the United States hold the 12th economic consultation in Washington June 22, when the two sides will adopt a one-year working-level report on progress in bilateral investment, trade, and industrial and technological cooperation, the Foreign Ministry announced Friday.

South Korean Vice Foreign Minister Pak Kon-u will lead the talks along with Joan Spero, U.S. undersecretary of state for economic affairs.

While tackling the usual agenda, Seoul officials said they will have to address further opening of the South Korean market to American cars.

"This time, we are in a position where we have to explain what we plan to do about this issue," a ministry official said.

The meeting will extend the South Korea-U.S. Dialogue for Economic Cooperation (DEC), launched in 1993, for one more year while adopting its report.

Bilateral issues include the auto market and a dispute over the expiration period for imported U.S. sausages. The overall agenda includes co-action at the Asia-Pacific Economic Cooperation (APEC) and the World Trade Organization (WTO), officials said.

Pak, meanwhile, will speak on Seoul-Washington trade relations at luncheons with the Washington International Trade Association and the Korea Economic Institute of America.

USTR To Cite Sausage Issue To Pressure Country

SK1606134894 Seoul HANGYORE SINMUN in Korean
16 Jun 94 p

[By correspondent Chong Yon-chu from Washington]

[Text] In connection with the fact that the ROK Government had recently decided that U.S.-made sausages were not appropriate for imports, the U.S. Trade Representative Office determined that there exists a secondary import barrier in the ROK for imports of agricultural products and began to listen to views on this issue from U.S.

agricultural circles. The Trade Representative Office is likely to present these views to pressure the ROK Government at trade negotiations.

In the Federal Gazette dated 9 June, the U.S. Trade Representative Office asked "U.S. agricultural exporters to hand in their views on problems facing them with regard to the 77 items of goods to which the ROK Government opened its markets in 1989 by 8 July."

Minister Vows To 'Stamp Out' IPR Violations

SK1406020394 Seoul THE KOREA HERALD in
English 14 Jun 94 p 8

[Text] Justice Minister Kim Tu-hui, protesting Washington's redesignation of Seoul in the Priority Watch List (PWL) for intellectual property rights (IPR) violations, yesterday vowed to stamp out offenders through continued inspections.

The government amended four IPR-related laws last year and enacted a new law protecting the semiconductor industry, Kim told the seventh session of the Korea-U.S. Business Council that opened for a two-day session. The opening ceremony was held at the Inter-Continental Hotel in southern Seoul.

"To strengthen IPR protection, our government basically aims at instituting a foundation against infringement by promulgating and revising relevant laws and regulations, by vigorously enforcing such laws nationwide until IPR infringements are completely eradicated, and by establishing greater public awareness of IPR protection," said the justice minister.

As a result of Seoul's tightened enforcement, the number of detected IPR violators was 2.2 times higher in 1993 than the previous year, he said.

"...We were disappointed to find that notwithstanding the (Korea-U.S. business) council's efforts, the American government has once again placed Korea on the PWL in its recent evaluation of the IPR protection of individual countries," he said.

Kim was one of the early speakers at the council session, divided into committees on manufacturing, technology and service and a subcommittee on IPR.

North-South Trade Said 'Rapidly Decreasing'

SK1706090694 Seoul TONG-A ILBO in Korean 17 Jun
94 p 10

[Text] It has been revealed that the inter-Korean trade is rapidly decreasing owing to the North Korean nuclear issue.

The Ministry of Trade, Industry, and Energy on 16 June said that inter-Korean trade during May was \$12.551 million, a decrease of 35 percent over the same period last year.

The imports of North Korean goods into South Korea decreased by 42 percent to \$10.882 million, and the South Korean exports of goods to North Korea increased by 230 percent to \$1.669 million.

Inter-Korean trade during the first five months of this year increased to \$79.823 million, accounting for a 2.7 percent increase over the same period last year, of which the imports into South Korea were \$70.938 million, a decrease of 5.6 percent.

A responsible official of the Trade, Industry, and Energy Ministry said, "The decrease in the inter-Korean trade is largely attributable to the aggravation of the North Korean nuclear issue and the North Korean shortage of foreign currency resulting from its economic difficulty." He added, "Local businesses are virtually suspending inter-Korean trade this month."

* DPRK Government: No Reduction in Rations

942C00121A Seoul NAEOWE TONGSIN in Korean No 890, 10 Mar 94 pp F1-F2

[Text] North Korea announced a "decree" that, excluding "war-reserve rice," there would be no further reduction of food rations given residents for any reason whatsoever.

Published under the name of the Social Security Department and entitled, "On the State Not Burdening the People in Rations or Taxes [Kukkaeso Inmindurui Singnyangkwa Se Pudamul Haji Malde tachayo]," the gist of this decree was the complete denial of food-ration reductions at the central party level and the promise that, in the future, rations would not be reduced for any reason whatsoever.

According to the revelations of one diplomat of an Asian nation who had been stationed in Pyongyang, this decree was announced around May 1992 and its contents are as follows.

"The state has never reduced rations in an organized way. The state has only deducted 2 percent from rations. If there was anything deducted beyond that, it was done by some cadre in order to look good to the state. In the future, we will ensure that, excluding the natural reduction of 2 percent occurring in the process of transportation from farm to family, there will be no deductions made from rations for any reason whatsoever."

The DPRK's announcement of this decree of an end to food-ration deductions is understood to be a result of increased public dissatisfaction due to the reduction of food rations and of the public's occasional expression of resistance related to this, critical of the system.

Since about 1973, the DPRK has deducted as "war-reserve rice" a two-day portion (four-day portion per month) from the public's 15-day food rations. Beginning in 1987, however, it has deducted an additional 10 percent from monthly rations, under the name "economization rice [Choryak Mi]." This led to worsened food conditions.

Beginning in 1990, the DPRK has actually been deducting 30 percent of food rations supplied, calling it "Patriotic Rice" and other names.

Beginning in late 1992 in particular, the DPRK Government, advocating a revival of self-sufficiency in each province, city, and county, instructed them to provide for their own food rations. Depending on the area, it cut off food rations three months each year and even moved from a two-meals-a-day to a one-meal-a-day campaign.

Because of this, saying "It's the same whether we starve to death or are caught for robbery and killed," the residents have been making group attacks on granaries, seizing rations.

One example of this was an occurrence reported to have taken place in September of last year in Kanggye-si, Chagang Province. Some workers unable to get their food rations secretly went into a granary and stole grain. When rumor of this spread to the whole city, its residents crowded into the granary as a group, looting it of food rations.

Meanwhile, even amid this food shortage and the dissatisfaction of its citizens, DPRK continues to store and conceal three years worth of food rations as war-reserve rice.

War-reserve rice is generally stored in three forms:

- war-reserve rice for soldiers working in the forward area above the Demilitarized Zone is stored in underground tunnels in Cholwon, Kangwon Province and other areas;
- reserve rice for other soldiers is stored in "No. 2 Warehouses" set up classified according to food-administration center in each province, municipality, and county; and
- separate reserve rice is stored and concealed in major strategic zones planned to be attack and withdrawal areas.

War-reserve rice is replaced every year with new rice. Those stealing reserve rice are punished as ideological criminals, so there has been no loss due to this.

* North Korean Dictionary Redefines Religions

942C0123A Seoul NAEOWE TONGSIN No. 888, 24 Feb 94 pp D1-D6

[Excerpts] Seoul (NAEOWE TONGSIN)—The lexical definitions of the language used in North Korea provide bases for judging their political implications. In this sense, from any change in the definitions of religious words one may be able to detect a corresponding change in North Korea's religious policy.

In fact, Chosonmal Taesajon [The Korean Language Dictionary] published in April 1992 shows a striking difference from its older 1981 version published 10 years earlier, particularly in handling the religious vocabulary. The new

version is a very comprehensive dictionary which took North Korea 7 years to compile and it has 330,000 entries in total.

North Korea claims that the new Chosonmal Taesajon, compiled by the Linguistics Research Institute under the North Korean Academy of Social Sciences and published by Sahoegwahak Chulpansa [Social Science Publishing House], covers an extensive vocabulary used for nearly 100 years since the 19th century, which has been researched comprehensively while using the original version published after liberation as a basis. North Korea has been stressing that the publication of the new dictionary marks a turning point as it spurs the chuche-based development of the Korean language; improvements in the people's speech; the education of party members and workers in the Korean-people-come-first principle; and an epochal development of science, education, and culture.

Accordingly, the fact that the definitions of religious expressions in the new language dictionary, which is of such great importance, show a marked departure from the old definitions is amazing in itself and indicates that North Korea's religious policy is undergoing a realistic change.

First, the most characteristic of all is that the previous negative or critical view of religion appearing in Hyondae Chosonmal Sajon [Modern Korean Language Dictionary] (published in 1981) and Chohhak Sajon [A Dictionary of Philosophy] (published in 1985) is eliminated by and large in the new Korean dictionary, which describes the development process of religion and religious thoughts in a more comprehensive and factual way.

North Korea's religious policy stems from the point of view of regarding religion as a form of superstition and a kind of opium that numbs the revolutionary spirit of the people. This attitude was fully reflected in the older Korean dictionary published in the 1980's. On the contrary, the newly published Chosonmal Taesajon does not equate religion with superstition but distinguishes between them. It distinguishes between religion and superstition by trying to describe religious phenomena in an objective manner while maintaining the old negative attitude toward superstition. This drastic change deserves attention, for it indicates that North Korea's view of religion has widened and become more objective since the late 1980's.

Discriminating Between Religion, Superstition

In Hyondae Chosonmal Sajon published in 1981 defines religion as "a reactionary outlook on the world or the belief that preaches how to dream of a happy life in the other world." On the contrary, Chosonmal Taesajon defines religion as "the outlook on the world based on a doctrine that preaches an absolute faith or belief in the super natural and superhuman being." In addition, the new dictionary strikes out the traditional critical descriptions invariably found in the older versions, such as: "a tool of oppression and exploitation"; "the imperialists' ideological tool for invading backward countries"; "the opium used in dulling the revolutionary awareness of the masses and inspiring in them the principle of nonresistance so that

they may unconditionally subject themselves to exploitation and oppression." Instead the new dictionary explains religion in more concrete terms, using expressions such as: "believing the holy being such as God or the Lord"; and "there are numerous religions and religious sects, large and small, beginning with the primitive religions and including Buddhism, Christianity, and Islam."

This change in the attitude of North Korea was reflected in the booklet titled "Ruminating About the History of the Great Love" published in 1989. The piece, authored by Ho Chong-suk, chairwoman of the Democratic Front for the Reunification of the Fatherland, contains an article titled "Let Us Treasure the Patriotism of a Female Teacher." In this article Ho Chong-suk tells an anecdote about An Sin-ho, An Chang-ho's younger sister, who was so moved by Kim Il-song's warmheartedness that she came to devote herself to the task of nation building and worked hard for Kim Il-song. The article quotes Kim Il-song as saying: "Without regard to what religion she believes in, we should first try to see the depth of her patriotism and the intensity of her efforts for nation building. We should not take a jaundiced view of, or discriminate against her by keeping her at an arm's length simply because she is a religious woman."

"Negative Explanations" of Doctrines Omitted

Chosonmal Taesajon also makes a lot of changes in its explanations of religious doctrines as is the case with religious phenomena. The older version explains theology as an unscientific branch of learning that tries to rationalize religious doctrines on the basis of an idealist outlook on the world. But the new version simply explains that theology is "a branch of learning for studying the religious doctrines on God," and in the definition of theological terminology, it omits the old negative and biased explanations. For instance, in the entry under "religious education" the older version defines it as "a reactionary and unscientific education designed to inspire religious doctrines in the heart of the people," but the new version corrects that definition by simply saying that it is "an education for teaching religious doctrines and precepts."

On Buddhism the older version of the Korean language dictionary presents a negative view that Buddhism preaches a reactionary thought of slavish submission and the principle of nonresistance. It criticizes Buddhism for trying to dull the class consciousness and fighting spirit of the masses and having a dire deleterious effect on the development of culture and science. But the newly published Chosonmal Taesajon omits all such negative explanations and criticisms and describes Buddhism as one of the three major religions widespread in the East while giving a detailed explanation of the origin, development, and central thought of Buddhism.

Christianity has been seen in the most unfavorable light in North Korean philosophy and history textbooks in the past. In the older dictionaries it is pointed out that Christianity was being used as a tool of imperialist aggression and was perusing the U.S. policy of aggression in South Korea. But in Chosonmal Taesajon such criticisms

are omitted and instead it presents a richer substance and more factual explanations about Christianity than Korean dictionaries in South Korea.

Abundant Religious Vocabulary

On Confucianism North Korea used to take a critical view of it by lumping the feudal Confucian thinking and Confucianism together as a thought or doctrine that was used as a tool for maintaining the conservative and reactionary feudal ruling structures, without distinguishing between the two. On the contrary, Chosonmal Taesajon, omitting all negative expressions regarding Confucianism, presents a conceptual definition of Confucianism in these words: "Confucianism is a political and ethical doctrine that has been maintained in China for many many years." It also presents a detailed account of the development process of Confucianism. The dictionary simply says that Confucianism has had an immense influence upon our country in various aspects of our social life since it was brought in, without passing any judgment on this influence.

Chosonmal Taesajon has an additional vocabulary of 200,000 words in excess of the 130,000 words entered in Hyondae Chosonmal Sajon. Its religious vocabulary is correspondingly larger and richer. [passage omitted]

Religion Used as Window for Opening

Chosonmal Taesajon has new entries for the Tenriism of Japan, the Hinduism and Brahmanism of India, and the Taoism of China, and presents factual descriptions of them. It also describes Allah, the Korean, and Islam accurately and in detail in a factual way.

All this is clear proof that unlike its older version, Chosonmal Taesajon tries to explain all religions, religious doctrines, and scriptures without omitting any and that its compilers tried hard to faithfully present an objective description of religious phenomena by doing away with the previous negative attitude toward religion itself. [passage omitted]

On the occasion of publishing Chosonmal Taesajon, North Korea showed an epoch-making change by presenting a more positive definition of the religious vocabulary and at the same time amended its constitution clearly stipulating that it is permissible to hold religious rituals and set up facilities of worship. These changes happened in April 1992. However, since then no signs have been found yet which show that North Korea's religious policy has undergone a corresponding revision to back up these changes. The reason is that in North Korea religion is not reviving in the form of reinstatement of the self-generating religious substructures, but still remains at the level of being used by North Korea as a window through which it may try to give glimpses of its attempt at opening its economy to the outside world after the Chinese model. Moreover, beginning in the 1980's North Korea tried at a policy level to train the priesthood that would revive the desiccated religions. Even if religion is to revive in North Korea, this process will hardly elevate religion beyond the limit of being a state religion that depends on the priesthood

trained under a state policy. That is why North Korea may well be concentrating more on sprucing up its religious appearances by retouching the religious vocabulary and enacting laws and regulations related to religion with a view to shutting off outside influence as much as possible and thereby demonstrating its independent capabilities.

Government Steps Up Controls on Illegal Fishing

SK1406123294 Seoul YONHAP in English 1015 GMT 14 Jun 94

[Text] Seoul, June 14 (YONHAP)—A meeting of relevant government officials on Tuesday decided to step up control of illegal fishing by South Korean fishermen in the Japanese waters.

A source at the fisheries administration said that thanks to steady control, only 18 cases of illegal fishing in the Japanese waters were uncovered in the first four months of this year.

The number compares with 374 cases in the corresponding period of last year.

The source said Tuesday's decision came as illegal fishing is feared to swell in the Japanese waters in the high fishery season of June through August.

Under the intensified control, the maritime police will assign more patrol boats to potential illegal fishing yards and will pursue and catch all boats involved, the source added.

*** Presidential Adviser on Kim Yong-sam Policy**

942C0113A Seoul SINDONG-A in Korean May 94 pp 224-230

[By reporter Song Mun-hong]

[Text] The North Korean nuclear issue became a focus of world attention when Pyongyang declared its withdrawal from the Non-Proliferation Treaty (NPT) on 12 March last year, only 15 days after the start of the Kim Yong-sam government. More than a year has passed since then, but the issue remains unresolved and no light is seen at the end of the long, long tunnel. The nuclear issue is proving to be an increasingly heavy burden on the new government committed to a civilian age.

The discontent of the people is also on the rise amid the battles procrastinating between North and South Korea and between North Korea and the international community. There have been frictions between hard-liners and moderates, confusion between ministries and agencies, and conflicting remarks by the president. Public criticisms have intensified, both in range and tone.

In an interview with this reporter, Chong Chong-uk, the senior presidential secretary for foreign policy and national security, who was one of the "quartette of scholars" in the first cabinet of the new government, first referred to the criticisms and said that "as one of the government officials responsible, I feel sorry for the people that the nuclear issue is still unresolved."

The interview was held in Chong's Chongwadae office on 9 April, the very next day of the first session held by the Security Policy Coordinating Council, a new organ for adjustments on policies relating to the nuclear issue, which the government created to cope with mounting criticisms by media over controversial remarks made by officials one after another since late March—including those by Ambassador Hwang Pyong-tae and Vice Foreign Minister Hong Sun-yong.

[Song Mun-hong] There has been strong criticism against our government's policy concerning the North Korean nuclear issue in the past year. Especially, many people point to the fact that differences between the advocates of dialogue and the hard-liners remain unresolved.

[Chong Chong-uk] "I am hoping that our people will understand these points: First, the government is holding on to its position seeking a peaceful settlement on the issue.

"Second, it is, essentially, an issue difficult to resolve by our independent will and capability alone. While an issue between North and South Korea, it is also an international issue. It is a dual issue in nature. Therefore, it requires exploring for a settlement through two axes.

"Under the present circumstances, a North-South mutual inspection through dialogue is a dead plan, while our discretionary power under international cooperation system is, inevitably, a very much limited one.

"Hence, it has been unavoidable, I think, that the government appeared to be shifting between a pro-dialogue course and a tough line depending on whether the nuclear issue was in a good or in a strained situation. In other words, I would like to point out that it all reflects the fundamental nature of the issue, not any deficiencies in the diplomatic ability of the government.

"Another point is that the people have been extremely sensitive to the nuclear issue. They were very sensitive to developments as the issue was taken to the UN Security Council following North Korea's rejection of the IAEA inspection. Accordingly, the government cannot but be extremely cautious not to cause uneasiness among them."

Chong Chong-uk disclosed that the new government had set out with a policy concept on North Korea that was quite innovative. It was based on that concept, he said, that President Kim declared in his inauguration speech that "no alliance can supersede the interests of the nation." The senior Chongwadae secretary explained that the president's statement reflected his ambition to free the nation from an alliance based on its Cold War-era posture toward North Korea and the anticommunist ideology and to establish a new relationship worthy of the post-Cold War era. The progressive posture, however, faced a setback when North Korea declared its withdrawal from the NPT, he said.

[Song] With regard to its responses in the past year, there have been widespread complaints that our government was shunned in negotiations with the United States and

that it kept making concessions to North Korean demands. Is the government now prepared to take a firmer position?

[Chong] "My view is that it is neither necessary nor desirable to keep up with the so-called brinkmanship diplomacy of North Korea. Should we respond with our version of brinkmanship, we will have to follow carefully-thought-out tactics to keep us from falling off the precipice together. If North Korea had really been prepared to go to war, it would not have even mentioned the word war, never. So, I see the recent 'Seoul in a sea of fire' remark by the North Korean delegate [at Panmunjom] as part of a shrewd psychological tactic against our people."

[Song] A series of comments on North Korea by President Kim Yong-sam have caused repercussions. Some even accused Chongwadae secretaries of failing to properly assist the president.

[Chong] "The reportedly controversial comments were quoted out of context, I believe. For instance, a careful study of the context about the sentence 'we cannot shake hands with those who possess nuclear weapons' indicates that the president never meant to say that he will hold no dialogue with North Korea. He meant to say that the North Korean nuclear issue is so important that an era of coexistence and co-prosperity can come only when it has been resolved. The expression he used was intended to emphasize his position that gives top priority to national security, not to say that North Korea has nuclear weapons or that there will be no meetings with it until the nuclear issue has been resolved.

"The same thing can be said about the president's 25 February remark that 'a summit is possible if it is to help achieve a settlement on the nuclear issue.' An exchange of special envoys was first proposed by the North Korean side. The proposal that all North-South problems, including the nuclear issue, be discussed and settled at a summit also came from the North Korean side, did it not? When the president made the remark at issue, both sides had agreed on working-level contacts for an exchange of special envoys; under such circumstances, the president meant to say that 'there is nothing I wouldn't do if it was for achieving settlement on the nuclear issue.'

"Media overinterpreted the president's comments, claiming that he made contradictory remarks, thus deliberately distorting the president's original intent."

[Song] We even hear criticism that the president has no basic understanding of the nuclear issue.

[Chong] "It is a grave misunderstanding about the president. Needless to say, the nuclear issue has technically complicated aspects. Speaking for myself, although I have been absorbed in this issue almost daily since the start of the new government, there still are many things I am unable to understand. The president bears overall responsibility for state affairs, and I don't think he needs to be familiar with specific, technical details. And when I brief him of the nuclear issue, I do not include such details.

"For what the nuclear issue means politically, and for things a supreme leader should know about the nuclear issue, the president has perfect understanding. He usually uses the kind of expression that does not resort to a logical way of explanation on this or that. While thinking very deeply, he expresses the thought in sentences short but full of implications. That is his style.

"As a result, when such implicative thoughts are delivered in general terms, the public may have difficulty in correctly grasping the meaning, I think. I am not saying this to defend the president as a senior secretary for him. But I must say that what I have been feeling about the president briefing him on developments in the nuclear issue over a year is considerably different from reports in media. The North Korean nuclear issue is the most important of all issues. How could the president be unconcerned about it?"

[Song] A look at developments in our nuclear policy indicates that there often were differences and confrontations between ministries and agencies concerned. Also, we hear criticisms that in the system of cooperation with the United States, the roles of the two sides are not properly defined. It is also said that U.S. officials have a complaint that they cannot make out what the Korean government's nuclear policy is all about.

[Chong] "With respect to responses to the nuclear issue, there are differences among U.S. authorities, too. It is a fact, of course, that within our government, there are some differences in views between ministries and agencies. It would be rather unrealistic and unnatural, I think, if all the ministries and agencies concerned should come up with an identical view about the nuclear issue. The Ministry of Foreign Affairs takes the position seeking a diplomatic settlement while the National Unification Board gives priority to North-South relations. At the same time, the Ministry of National Defense and the Agency for National Security Planning have their respective views.

"Eventually, under the presidential system, the president decides the direction of national policy based on his comprehensive judgment. Inter-ministry differences are put through this inner coordinating process, which, when viewed from outside, might appear to be a wavering between hard-line and moderate approaches. This has something to do with what I mentioned earlier—our limitations within the international community and the fundamental nature of the nuclear issue. Let me emphasize that there is absolutely no such thing as the inter-ministry differences which directly lead to policy confusion.

"One more thing. I know the fact that a small number of Americans are saying that they 'cannot make out what the Korean policy is all about.' As for us, we must, in dealing with the nuclear issue, display tactical flexibility while holding on to our principles firmly. This process inevitably involves dilemmas. When efforts for a through-dialogue settlement fail to produce results, causing tension and a sense of crisis in the Korean Peninsula, we are forced to take the position of putting the brake on the international community, the United States in particular. From the U.S. point of view, it could appear that Korea often takes a

hard-line approach but—when the United States actually tries to take a tough stand—puts a curb on it."

[Song] The North Korean nuclear issue can be viewed from two separate angles: the special inspection to ascertain the lack of transparency of North Korean nuclear activities prior to the IAEA inspection of May 1992, and the temporary, general inspection for the continuity of nuclear safeguards thereafter. Also, when the North Korean nuclear issue is viewed from another two points of view—namely, the issue being used by North Korea as a trump card and as a tactic to gain time for actual development of nuclear weapons—we can assume that the situation becomes more unfavorable for us as time passes by.

Also, the atmosphere in the United States is showing a subtle change, according to many scholars. From the U.S. point of view, the issue is critical more for the importance it attaches to the preservation of a global NPT system than for the stability on the Korean Peninsula.

Meanwhile, arguments that the United States will be compelled to tolerate one to three nuclear bombs which North Korea may already have are gaining ground both in and out of the U.S. government. The quarterly journal FOREIGN AFFAIRS carried an article even calling for U.S. troop withdrawal from Korea. The point is that U.S. troops should not be left on the Korean Peninsula, a danger zone, at a time when North Korea apparently has nuclear weapons. Is our government prepared to deal with these problems?

[Chong] "You are saying that the present situation remains unchanged from a year ago or even shows deteriorations. As I said earlier, our influence in the international community is a limited one; nevertheless, we achieved IAEA inspections, intermittent though, in the past year, paving the way for an assessment of North Korea's nuclear development to some degrees. I would like to count it as an achievement if it can be called that.

"Second, regarding the question of whether North Korea now has nuclear weapons, and whether the possibility of North Korea having developed nuclear weapons has increased now that a long time has passed since its withdrawal from the NPT in March 1993 or since May 1992...so far, no one in any country in the world has produced firm evidence of North Korea's possession of nuclear weapons. While media have carried a wide range of conflicting speculations, the government has confirmed that at present there is no specific, irrefutable evidence that North Korea has nuclear weapons.

"Third, with respect to your question if the U.S. policy is shifting from halting North Korea's nuclear program to imposing a freeze on it at the present level, my answer is that it is not. A careful study of opinions recently voiced in the United States indicates that no one has ever said that the United States would tolerate North Korea's possession of nuclear weapons.

"In its current position, the United States divides its policy goal into two phases, striving for a settlement by stage. Efforts for accurate information on North Korean nuclear

activities through temporary inspections and for a freeze on them represent the first phase, while realization of special inspections to secure the transparency of North Korean nuclear activities prior to May 1992 constitute its second phase. These are the goals of the two nations, Korea and the United States. It is not intended to abandon special inspections after all."

[Song] Some specialists say that if North Korea conceals its nuclear weapons, it is impossible to uncover them even through special inspections and North-South mutual inspections, and that therefore, it is a matter of political judgement on the part of the president to secure complete transparency on North Korean nuclear weapons.

"It is not so. If special inspections and North-South mutual inspections are carried out, accurate data can be obtained on North Korean nuclear activities in the past. Special inspections will produce accurate figures on the quantities of nuclear material which North Korea extracted in the past by operating its reprocessing facilities. The mission of the IAEA is to ensure that nuclear activities are not diverted for military purposes; therefore, if inspections produce evidence of such diversion, it is to lead to another round of discussion.

"Furthermore, there is the Joint Statement of Denuclearization in effect between North and South Korea, which precludes not only the possession of reprocessing facilities and enriched uranium but also the deployment, manufacturing and possession of nuclear weapons in the Korean Peninsula. If North Korea has nuclear weapons, we can demand their dismantling under this joint statement."

[Song] But it is still possible that Pyongyang conceals its nuclear weapons somewhere in North Korea, is it not?

[Chong] "In that case, there is legal basis for the IAEA and our government to make an effort to find them. If another problem arises after the transparency has been secured on North Korean nuclear weapons, it shall be discussed then. In the present stage, I do not think it is a right approach to the issue to abandon our current efforts by saying that 'North Korea may already have nuclear weapons.'

"What we need now is to find out how much weapon-worth material North Korea has secured through its nuclear activities in the past. At present, our problem is that we are not only unaware of all the facts about North Korea's past activities but also unable to shut off its possibility of continuing nuclear activities in the future."

[Song] The Security Policy Coordinating Council held its first meeting yesterday. The creation of the new council, on one hand, appears to be a show of the president's will to control discords among ministries and agencies as reported; on the other, however, it overlaps the existing councils that make decisions concerning the nuclear issue. Some say that it is like adding a fifth wheel to a coach.

[Chong] "There were four similar councils established earlier—the National Security Council, the Council of Unification-Related Ministers, the High-Level Strategy Council, and the Council of Security-Related Ministers.

The National Security Council is a constitutional organ, which seldom met in the past. The Council of Unification-Related Ministers meets about once a month on nuclear- and unification-related issues, presided over by the deputy prime minister for unification affairs. It is deficient in promptness and effectiveness. The High-Level Strategy Council was originally created to prepare strategy for the North-South High-Level Talks, which are prime minister-level contacts. Although media reported that this council met frequently in the past, the sessions were quite irregular.

"Finally, the Council of Security-Related Ministers, chaired by the president, has its problems because it is realistically difficult for the president to have a hand in working-level business. Thus, it is not very effective in dealing with issues requiring quick responses.

"I understand that those were the reasons why the Security Policy Coordinating Council was created recently by a presidential directive. The new council meets every week. It is for the heads of offices concerned with the nuclear issue—the deputy prime minister for unification affairs, the minister of foreign affairs, the minister of national defense, the director of the Agency for National Security Planning, the Chongwadae secretary general, and the senior presidential secretary for foreign policy and national security—to meet regularly for more prompt responses."

Since its inauguration, the Kim Yong-sam government has apologized to the people five times altogether, including three times in connection with the opening of the nation's rice market. Should it fail to resolve the nuclear issue satisfactorily, however, no amount of apology would suffice. It is because the nuclear issue is directly linked to the destiny of our 40 million people and, further, that of the entire Korean nation.

Senior Presidential Secretary Chong Chong-uk said that the government is "doing everything in its power" to get the nuclear issue resolved. In fact, however, the government has so far been merely absorbed in confrontations and frictions, giving no such impression as that it is "doing everything in its power." Only when it proves to the people that it is "doing everything in its power" will the Kim Yong-sam government perhaps be able to come out of the prolonged "North Korean nuclear issue" tunnel.

DP Leader Conveys Desire To Meet Carter

SK1706075494 Seoul TONG-A ILBO in Korean 17 Jun 94 p 3

[From the "Political Lounge" column]

[Text] Yi Ki-taek, leader of the opposition Democratic Party, positively assessed [kungjongjoguro pyongga] on 17 June the talks between former U.S. President Jimmy Carter and North Korean President Kim Il-song by saying that the talks "have brought about a great result [sangdanghan songgwa]."

Prior to this, Yi Ki-taek recently conveyed to the U.S. Embassy in the ROK, his desire to meet the former

President Carter as soon as he returns to Seoul, saying that he, as the opposition party leader, would like to be told of the results of former U.S. President Carter's visit to North Korea.

Regarding this, the U.S. Embassy said that it would convey his desire to meet with former President Carter, and asked if Yi thinks that Kim Tae-chung, president of the Peace Foundation for the Asia-Pacific Region [and former head of the Democratic Party], would agree on their meeting. At any rate, it seems that news of whether the meeting will or will not be held, will be revealed around 18 June.

Democratic Party Rejects Investigation

SK1306101194 Seoul YONHAP in English 0735 GMT 13 Jun 94

[Text] Seoul, June 13 (YONHAP)—The domestic political situation took a turn for the worse Monday when the opposition Democratic Party (DP) decided to force a showdown with the ruling party over the suspended parliamentary investigation of the Sangmudae scandal.

At a meeting of its supreme council on Monday, the DP decided to take strong action against the ruling Democratic Liberal Party and the government which, it said, have been balking at the parliamentary probe.

Spurred by an opposition demand, the National Assembly had invoked its parliamentary right to probe the Sangmudae scam.

The opposition party claims that the president of a construction company, Cho Ki-hyon, created a slush fund out of profits he made from a defense contract to move a facility called Sangmudae in Kwangju to the city's outskirts.

The DP alleges that part of the fund was eventually funnelled into the ruling party during the 1992 presidential election. In calling for the probe, the opposition party wanted the National Assembly to find out the truth behind the allegations.

As a result of Monday's decision, the DP plans to take its case directly to the people by having newspapers publish the facts uncovered so far by the parliamentary investigation and details of the DP's own probe, as well as records of the prosecution's investigation obtained by the party.

The opposition party also decided to sue Defense Minister Yi Pyong-tae, Kim Chong-ku, chief of the Seoul District Prosecutor's Office, Sin Song-taek, chief judge of the Seoul Criminal District Court, and managers and other officials at 10 branch offices of six banks who refused to release to opposition lawmakers the deposit records of people involved in the alleged scandal.

In addition, the party will push for the impeachment of Defense Minister Yi, Chief Judge Sin and Justice Minister Kim Tu-hui.

As for impeaching President Kim Yong-sam, the DP will withhold a decision because initiation of the procedure requires the signatures of more than half the National

Assembly representatives. h1

* Change in DLP, DP Relationship Analyzed

942C00124B Seoul CHUGAN CHOSON in Korean 12 May 94 pp 12-13

[By senior political reporter Kim Chong-nae]

[Text] Having gone through a crisis over the "replacement of Prime Minister Yi Hoe-chang and the handling of the approval of Prime Minister Yi Yong-tok's appointment," the relationship between the ruling and opposition parties is expected to bring tremendous changes to the political world.

"Tremendous changes" means that the relationship between the ruling and opposition parties formed since the birth of the new government will be shaken to its roots. It appears that this change will create great waves within the ruling and opposition parties and will become a new compass by which the direction of the political situation is determined.

Symptoms of the change in the relationship between the ruling and opposition parties appeared in the negotiations on and handling of the approval of the appointment of Prime Minister Yi, which went through a repeated game of hide-and-seek: full confrontation—narrowing of opinions—rupture of negotiations.

A surface change in the relationship between the ruling and opposition parties is that their mutual images have changed. The ruling party may want to deny it, but it is a change deeply felt by all in political circles. Only a year ago, when the new administration was born, the opposition party disappeared from the political stage. An extreme expression would be that only President Kim Yong-sam got the spotlight. It was hard to see or hear anything of the opposition party. It ran about in confusion, without even knowing where to stand in the whirlwind of reform and the anticorruption drive. A so-called "identity crisis" heavily burdened the minds of the opposition. Now, however, they are undeniably the star of the stage. Achieving symmetry with the Kim administration, they have returned in the form of a "new opposition," having clearly secured a space for opposing the present administration.

The advent of the "new opposition" signifies that the ruling party has lost part of its right to manage the political situation. It is now actually impossible to direct the political situation according to the purposes and plans of only the ruling party, as it had done in the past.

An internal change in the relationship between the ruling and opposition parties is that their perceptions of each other have changed. The present ruling and opposition parties have the same roots; they came out of the opposition of an era of authoritarian regimes. All one has to do is think of the old New Democratic Party [Ku Sinmindang] and the Council for the Promotion of Democracy [Min-chuhyop]. Although divided into ruling and opposition parties, they shared a common denominator of antidictatorial, anti-military-regime emotion. Now, however, they

have entered into a completely hostile, competitive relationship. Having become no different than the relationship between the ruling and opposition parties of the past, hatred and disregard have accumulated about as much as is possible. At one time applauding the president's reform so much as to shame the vested forces of the ruling party and calling for the strengthening of national competitiveness as if competing with it, the opposition has now entered an attack phase, saying it is "the president's form of rule and consciousness which should be the objects of reform."

This change in the relationship between the ruling and opposition parties is a key for predicting the future of the political situation. The importance of this change can be felt more intensely when reflection is made upon its background and causes.

Most carefully to be considered of the factors behind this change is that it was not a result of the spontaneous choice of the political world. The change was neither agreed upon nor even based on a tacit understanding between the ruling party and the opposition. Rather, external conditions and structural factors of the political world brought change. Inasmuch as it was not a spontaneous choice, it is difficult to gauge the influence accompanying this change. If it had been a choice in which the will and preferences of the political world had functioned, it would be easy for the political world itself to control the direction and breadth of the change. The situation, however, was just the opposite. Korea's political climate, used to considering moral justifications important and to confrontation between camps, makes it more difficult to control change.

Factors outside the political arena pressing for change include not only various domestic, environmental and other outstanding issues, but also international factors as well, such as the Uruguay Round. As for opposition to the ratification of the Uruguay Round Final Performance Plan, it became an opportunity for reviving the practically-exhausted opposition party. Of course, there have been issues, such as the Uruguay agreement, difficult for the political world to endure, but it is hard to deny that other blunders of the ruling party played a big part in getting the opposition back on its feet.

Circumstances inside the ruling and opposition parties will be different, but a structural factor of the political world accelerating change was the leadership of the minority faction. The Democratic Liberal Party [DLP] has been led by the minority Democratic-Party [DP] faction. Apart from an objective evaluation, one got a sense that the minority's control of the political situation was insufficient to effectively lead the majority, the Democratic-Justice-Party [DJP] and Republican-Party [RP] factions, at least as far as the front against the opposition party is concerned. Most really feel that the passive posture of the DJP and RP factions caused a loss of the DLP's power to deal with the minority faction within the National Assembly.

Party President Yi Ki-taek, belonging to the minority faction in the DP, has lead the opposition party. Although

the largest faction, the Tonggyo-tong faction, supports President Yi, there cannot help but be a difference between this and the Tonggyo-tong faction exercising direct management of the party. More important is the fact that the Tonggyo-tong faction's support for President Yi has varied according to the situation and issues under consideration. What has caused this gap to widen is the system of collective leadership called the Chief Executives Council. As it is a collective leadership system, it is very possible for it to lean toward the selection of an inconsistent, hard party line toward the ruling party based on vividness, rather than one which is realistic and flexible.

Butting heads as a result of thus overlapping factors both inside and outside the political arena, in one fell swoop the ruling and opposition parties raised to the ceiling the intensity of their attack and defense. With the traditional course of problems posed and counter attacks launched generally abbreviated, the situation got hot in the blink of an eye.

The opposition naturally attempted to make changes. They seemed intent on redeeming in a day the silence they have kept up to now.

As was seen in the exposure of the Sangmudae scandal, the opposition made an all-out attack on the ethics of the present administration, as if going for its Achilles Heel. The administration had advocated reform as though it had a patent on it. In a special press interview on 2 May, DP President Yi Ki-taek, taking aim directly at the president, demanded he explain the Sangmudae scandal. The ruling party ignored and disregarded this.

Meanwhile, teamwork broke down within the ruling party. It was the Kim Hoe-chang crisis. As the ruling party became the object of the scrutiny of public opinion, and of the stinging scrutiny of the middle class in particular, it hastened to bring the situation under control, but it was too late. The crisis had already worsened.

In this state, both the ruling party and opposition both did their best to control the crisis in a manner benefiting themselves. This made conflict between the two more intense. The DP brought up the president's closest aides, criticizing them; the DLP officially presented the idea that Asia-Pacific Peace Foundation Director Kim Tae-chung was interfering in politics. Although this was not a full mobilization of the means of attack from which the two had been refraining, it was the first use of subjects which till now had been considered taboo.

Looking back over such circumstances, it appears the change which has started to show itself in the relationship between the ruling and opposition parties will become greatly accelerated. Particularly, it appears that, as long as there is no change in the situation, the fight for leadership of the political situation will grow much fiercer and that this will be the epicenter of the accelerating change in the relationship between the ruling and opposition parties. Looking at it by their time table, in the short term, prospects are that the ruling and opposition parties will clash severely over invoking the right of parliamentary

investigation into the Sangmudae scandal, house composition of the National Assembly which must be completed within six months, National Assembly ratification of the Uruguay Round, and disposal of the budget for the new year in the regular session of the National Assembly.

Of these, the UR ratification cannot be omitted, so it is clear that it will be a battle from which neither side can withdraw.

However, avoiding an open confrontation in the National Assembly, etc., the possibility the ruling and opposition parties will enter a full-scale propaganda battle for securing a support base and for taking control of the overall situation cannot be excluded. For example, the ruling party, completely ignoring the opposition, will carry out national affairs directed toward the public and will strongly pursue a policy of reform and of strengthening national competitiveness; the opposition may strengthen its out-of-parliament attack on the ethics of the ruling party. If this happens, the battle in the National Assembly will deteriorate into one line of confrontation between the ruling and opposition parties.

No matter what their side, within the minds of those in the clashing ruling and opposition parties will always be drawn a picture of the local autonomy system, [the election for which will be held] in less than a year (June of next year). Strategic and tactical concern about from what position and in what mode they should carry out the local elections will regulate the actions of the ruling and opposition parties.

This may be premature, but the results of next year's local elections will be a decisive variable by which to judge the composition of the management of the political situation in the latter half of the ruling party's time in power. In the opposition party too, it will become a chance for an outline to come into focus of the direction of the party leadership and of the battle for the party candidacy for the next presidential election.

* Political Parties Preparing for Regional Election

* DLP Fills Posts With Non-Professionals

942C0098A Seoul CHOSON ILBO in Korean 9 Mar 94
p 2

[By reporters Yi Yon-hong and Kim Min-pae: "Selections Break New Ground," Feature Reformist Personages in Their Forties: Inside and Outside of DLP Appointments of New Chief Organizers"]

[Text] Reshuffles began in the ruling camp as the Democratic Liberal Party [DLP] yesterday appointed new chief organizers for 10 of the opposition-dominated districts. In a nutshell, the announced selections broke new ground. Nine out of the 10 appointees are from non-political circles. Professional politicians are shut out, conspicuously; the appointees include four ex-government officials, three lawyers, a scholar and a *chaeya* [reformist camp] figure from an activist group. No familiar faces, and not many celebrities in their sectors either. Their average age is 49, 6 years younger than the average of the present DLP

district chairmen, which is 55. They belong to no factions. There is no to-the-core RDP [former Reunification Democratic Party] man among them, and none affiliated with the DJP [former Democratic Justice Party] faction either. Of the 10, the only professional politician is Rep. Cho Yong-chik, nominated for Songpa-B, Seoul. A member of the NDRP (former New Democratic Republican Party) faction, he is an exceptional case.

The action literally demonstrates a "shift in generation" and a "shake-up." Its timing proves it. The ruling camp had kept putting off the appointments for as long as 5 months, each time by instructions from Chongwadae awaiting the passage of the Political Reform Act through the National Assembly. Finally, the reform act was passed, setting the stage for the next step, the human reform.

Average Age 49, Unaffiliated

The DLP has served notice that the same principles will be followed in the nominations for the rest of similar districts, too. It appears very likely that they will be carried through into the party endorsement process for candidates in the 14th general election. After the district-level reshuffles will come a national-level shake-up. It is the time for those "influential" incumbents in the National Assembly to worry about their individual cases of "endorsement."

Meanwhile, some within the ruling camp strongly reacted against the new party line, particularly members of the DJP faction, who see it as targeted on them.

Picks on "Kim Mun-su's Record"

Complaints were voiced bluntly at a party executives meeting held on 8 March. Executive Committee member Yi Chi-ho, DJP, fired the first bullet, taking issue with the personal record of Kim Mun-su, appointed to the post of Puchon Sosa District, Kyonggi Province. Kim Mun-su had served 2 years and 6 months in prison for leading the 3 May Inchon Uprising, a key battle in the 1986 constitutional amendment struggle for direct presidential election system. He was convicted on charges of violating the National Security Law.

"Since when has a criminal record been viewed as a credit?" asked Yi Chi-ho at the session. He raised questions over Kim Mun-su's rehabilitation and his role in the Chonnohyop [National Council of Labor Movements]. Secretary General Mun Chong-su responded, only in theoretical terms.

Where the DJP faction is headed with its resistance is a matter of concern. It is hardly predictable at the moment, however. The party leadership seems to take a wait-and-see attitude. Meanwhile, complaints seem to grow deeper inwardly as time goes by.

For Showdown with the Opposition

The DJP faction had shown some wayward signs until recently, which, however, have subsided since the party

decided to postpone its national convention, a development that deprived the faction of its pretext for agitation. Now, one may say that it is about to find a new pretext.

Meanwhile, it is known that the process of selecting the new district-level chief organizers was plagued with backbiting mirroring that situation. It is said that most difficult were the decisions on Seoul and Puchon districts. It was because the opposition maintains an edge in those districts. In the process of coordinating with Chongwadae on final selections under the lead of Secretary General Mun Chong-su and Kang Sam-chaе, director of the Basic Research Office, officials reportedly weighed that fact and decided to bring in reform-oriented, untainted "new faces" in force for a showdown with the opposition.

Local Tendencies Taken into Account

Thus came the appointment of Chong Song-chol, a lawyer from *chaeya* and presently assistant first minister of state, for Kangnam-B, Seoul, and that of Kim Hak-won, also a lawyer and political new face, for Songdong-B, Seoul. The two satisfied the newly adopted standards, it was explained. Chong Song-chol—who is a drawing-card-type *chaeya* figure, whose participation in the new government was the result of "recommendation" by Assemblyman Kim Tok-yong—had been designated for the post early on, although informally.

The selection of Kim Mun-su "fueled criticism" through to the end. The reason was that he was the leader in the 3 May, 1986, Inchon Upheaval and served a prison term on conviction for violations of the National Security Law. Some argued that he could stir up conservative vs. reformist ideological polemics within the party. The pros and cons were equally divided, and eventually party executives decided to "run the risk." Their decision is said to have taken into consideration the fact that Puchon Sosa District residents are mostly working people, and that in the neighboring Kwangmyong District, Son Hak-kyu, a *chaeya*-oriented scholar, was elected to the National Assembly in a recent by-election.

Rumors had it that the decision was also based on the observation that the Democratic Party [DP] will run either its party spokesman, Pak Chi-won, or Pae Ki-son, former deputy chief secretary for the party chairman as its candidate for the same district, Puchon Sosa, in the next general election. It was for the same reason that O Song-kye was named to the Puchon Ojong District post.

The DLP was on the verge of withholding a decision on Songpa-B, Seoul, when Cho Yong-chik, DLP deputy spokesman, was finally picked thanks to the "influence" of

Chairman Kim Chong-pil. The RDP faction strongly supported Song Chol-won, chairman of the Forum of Press Workers Unions. It was a close contest, they say.

Satisfied with the Outcome

For now, party officials are satisfied with the results of the open recruiting, saying that they succeeded in obtaining "fresh candidates." As examples, they cite the cases of Yi Ki-hyong, staff researcher of the National Land Development Research Institute and a graduate of University of San Francisco and doctor of economics, who was named for Sosan-Taean District; and Kim Kwang-won, former lieutenant governor of North Kyongsang Province, named for Uljin District.

Kim Kwang-won says that "I responded to the open recruiting without knowing that there is a recruiting plan that is not open to the public." It is rumored that he drew strong support from Minister of Home Affairs Choe Hyong-u. It is also said that Kim Mun-su's "sponsor" was Kim Chong-nam, Chongwadae senior presidential secretary for educational and cultural affairs.

The nomination of Choe In-ki for Naju District practically had been predetermined when he was "left out" in the appointments of vice ministers in late December last year. Yi Chol-kyu, chief of the Planning and Management Office of the Kyonggi provincial government, who was named for Sihung-Kunpo District, was a case of "draft." Yi, former Sihung City mayor, says that the nomination was a surprise although there had been a hint from Choe Ki-son, Inchon City mayor and a key member of the RDP faction, a month ago.

"Preference for SNU Graduates" Criticized

The districts of Seoul's Sodaemun-B, Socho-A, Taegu's East-B, and Hwasun of South Cholla Province were placed on the hold following the principle that the party will look for best-qualified persons having both the resolve for reform and local support. Also, Seoul's Kangso-A District—of which Yi Won-chong, Chongwadae senior presidential secretary for political affairs, declined the chairmanship before the start of the open recruiting—was taken off the list of open-recruiting districts from the beginning.

The 10 appointees are made up by nine Seoul National University [SNU] graduates and one University of San Francisco graduate. Of the nine SNU graduates, seven are from the law school.

Responding to criticism of too much importance having been attached to academic career factors, Secretary General Mun Chong-su "explained" that "honestly, it was by accident."

Newly Appointed DLP District Chief Organizers

Region	District	Appointee	Incumbent Assemblyman
Seoul	Songdong-B	Kim Hak-won, 47, lawyer	Cho Se-hyong, 62, DP, 3d term

	Kangnam-B	Chong Song-chol, 49, asst. first minister of state	Hong Sa-tok, 50, DP, 3d term
	Songpa-B	Cho Yong-chik, 54, DLP deputy spokesman	Kim Chong-wan, 61, DP, 2d term
Kyonggi	Puchon Sosa	Kim Mun-su, 43, labor activist	Pak Kyu-sik, 55, Ind., 2d term
	Puchon Ojong	O Song-kye, 46, lawyer	Won Hye-yong, 43, DP, 1st term
	Sihung-Kunpo	Yi Chol-kyu, 47, chief of provincial Planning & Management Office	Che Chong-ku, 49, DP, 1st term
N. Cholla	Chongju-Chongup	Son Ryang, 54, lawyer	Kim Won-ki, 56, DP, 4th term
S. Cholla	Naju City-County	Choe In-ki, 50, former vice minister of home affairs	Kim Chang-kon, 55, DP, 1st term
N. Kyongsang	Ulsan	Kim Kwang-won, 54, former N. Kyongsang lt. governor	Yi Hak-won, 60, Ind., 1st term
S. Chungchong	Sosan-Taean	Yi Ki-hyong, 46, Tanguk University lecturer	Han Yong-su, 58, United People's Party, 4th term

* DP Moves To Unify Opposition

942C0098B Seoul TONG-A ILBO in Korean 15 Mar 94
p 2

[Unattributed report: "DP to Push for Merger of Opposition Parties In Earnest—and To Endeavor To Bring In *Chaeya* Personages at the Same Time"]

[Text] To prepare for the local autonomy system elections next year, and to counter the DLP moves to win over *chaeya* personages, the DP will set in motion, as early as this week, a full-scale drive to unify the opposition camp and to draw *chaeya* personages into the party.

At its Supreme Committee meeting yesterday, the DP decided to prepare a special countermeasure against the DLP moves. Kim Tok-kyu, secretary general, and Che Chong-ku, planning chief of the Executive Committee, will lead the work.

Meanwhile, Chairman Yi Ki-taek is expected to announce DP plans concerning an opposition merger and *chaeya* personages, at a press conference scheduled for today marking the first anniversary of his chairmanship.

The chairman told reporters yesterday that "I am planning to meet with Chairman Kim Tong-kil of the United People's Party and Chairman Yi Chong-chan of the New Korea Party shortly to discuss the merger issue." "Also, I will see what the Supreme Committee will come up with and, based on it, will work actively to draw *chaeya* personages into the party," he said.

"It is possible to discuss the merger issue with Chairman Pak Chan-chong of the Sinjong Party, too," he added.

Court To Try Pak Chol-on for Bribery Case

SK1506074894 Seoul YONHAP in English 0726 GMT
15 Jun 94

[Text] Seoul, June 15 (YONHAP)—The Supreme Court will render a final decision on Rep. Pak Chol-on's last appeal on June 28.

Should the court dismiss Rep. Park's final appeal, the original decision will be upheld and his application for bail

automatically rejected. But if the court reverses the original decision, it is likely that he may be released immediately since his prison term ends in less than six months.

Rep. Pak was convicted of bribery and sentenced to one and a half years in prison and fined 600 million won (about 743,500 U.S. dollars) in an appeal hearing held on March 14. He then appealed to the Supreme Court and asked to be released on bail.

Park, once called the "crown prince" during the days of the No Tae-u government, was arrested in May last year on charges of taking bribes totaling 600 million won in three installments from slot-machine kingpin Chong Tok-il in October and November 1990.

If Pak is found guilty, he will lose his parliamentary seat and the right to run for parliament or other public office for the coming five years. A special election to replace him would be held within 90 days in the Susong-a Electoral District of Taegu City.

Government Confirms Stance on Rail Strikes

SK1706054894 Seoul YONHAP in English 0517 GMT
17 Jun 94

[Text] Seoul, June 17 (YONHAP)—The government convened an emergency meeting Friday to discuss preventing a nationwide strike by railroad and subway workers.

Vice ministers of the Labor and Transportation Ministries and the Economic Planning Board decided to announce government measures to provide better working conditions, under which locomotive engineers and ticket inspectors would receive similar treatment as general clerical workers at the Korean National Railroad.

The government, however, made clear it would not negotiate with "Chonkihyop," [The National Council of Locomotive Engineers] a nationwide organization of locomotive and train engineers, as it is an unauthorized body separate from the Railroad Labor Union.

At the same time, the government decided to take strong action, including the prosecution of those involved, if the

workers go ahead with the strike despite measures to improve labor conditions such as a wage hike.

Chonkihyop members have sided with the labor unions of the Seoul and Pusan subways in resolving to walk out.

Earlier, the Labor Ministry warned in a statement the government would not tolerate a joint strike by railroad and subway workers as it would foster social unrest.

Labor Minister Nam Chae-hui said Friday the government has completed preparations for judicial action against leaders of Chonkihyop and Chonodae [National Conference of Representatives of the Workers' Cooperatives], a private organization of labor union representatives nationwide.

Minister Nam stressed the two organizations are voluntary and private organizations which are not recognized legally, saying their resolution on a walk-out is an apparent violation of the law. He said the government is preparing a wage increase and better labor conditions for locomotive engineers and railroad workers through negotiations with the authorized labor union of the Korean National Railroad.

Chongwadae Cuts Spending by 3 Billion Won

SK1706073694 Seoul YONHAP in English 0649 GMT
17 Jun 94

[Text] Seoul, June 17 (YONHAP)—Since the inauguration of Kim Yong-sam, the Presidential Secretariat and the Presidential Security Service managed to cut expenses by more than 1 billion won apiece last year, it was revealed Friday.

They have achieved such savings by reducing the number and scope of official banquets and curtailing or simplifying the presidential security service, the Board of Audit and Inspection (BAI) said Friday.

The presidential secretariat managed to save 1,792 million won and the presidential security service, 1,299 million won, the BAI said.

It said the secretariat sliced the number of dinner parties catered by hotels to 54 down from 210 times in 1992 when No Tae-u was president. It also reduced the amount spent per person at luncheons and dinner parties to 22,000 won each from 42,000 won and 65,000 won, respectively.

BAI officials said the secretariat spent 154.9 million won for luncheons and dinners, down 585.4 million won from 743.9 million won the previous year. It managed the savings by serving such humble dishes as noodle soup, they said.

The BAI, however, issued five warnings and handed two official notices to the secretariat and the security service after noting they had wasted money by asking for service without concluding contracts beforehand.

As for souvenirs, Chongwadae managed to halve the cost of wristwatches carrying the presidential insignia while reducing the number of souvenirs to 15 kinds from 112 under the previous administration.

Chongwadae thus slashed souvenir expenses to 383 million won in 1993, down from 742 million won the previous year, the BAI said.

The presidential security service, meanwhile, registered savings totalling 1,299 million won by cutting back on manpower and reducing information-gathering activities and travel, the BAI said.

The board pointed out that the secretariat failed to follow the rules on budget spending and accounting when it designated suppliers before drawing up contracts to buy such equipment as computers (41.7 million won), work on facilities (74.6 million won) and publication of pictorial magazines and opinion polls (64.7 million won).

Market 'Rapidly' Recovering From 'Nuclear Shock'

SK1706073794 Seoul SEOUL SINMUN in Korean 17
Jun 94 p 9

[Article by reporter U Tuk-chong]

[Text] The financial market is rapidly recovering from the "nuclear shock" as evidenced by the quick rebound in the composite stock exchange index to over 900 on 16 June from the steep two-day plunge in the wake of the North Korean declaration of its withdrawal from the International Atomic Energy Agency. The cash in the market was returned to the banking institutions in the amount of 210.7 billion won and 42.3 billion on 13 and 14 June respectively, thus decreasing the cash currency rate from 9.2 percent to 9 percent last week. With the recovery of the stock market, the financial market returned to a normal track.

The stock market, which plummeted as much as 32.3 point for two days on 14 and 15 June as the general public investors massively dumped their stocks, rebounded on 16 June as the institutional investors bought stocks heavily as soon as the stock market opened that day. The composite stock exchange index increased by 10.16 points to 901.08 points.

The recovery came as the authorities tried hard to assuage people's worries which abated considerably upon hearing of the one-month grace period which would be applicable to sanctions the United Nations may take against North Korea. The report on the government plan to ease restrictions on the stock market, such as the release of future deal items for the stock exchange index and the abolition of the institutional investors' deposit, also contributed to a recovery with the blue chips taking the lead.

The stock experts say that although general public investors are not yet completely relieved of their worries, institutional and foreign investors are actively buying stock, and therefore, the strength to support the stock market seems to be sufficient.

The currency in the market is following the pattern of "supply on weekend and returning at the start of the week."

On 10 June, 470 billion won was issued for soldiers' salaries and 70 billion won went into the market fund for the weekend, but 273 billion won returned to the banking institutions for two days on 13 and 14 June. This is an amount larger than the 264.4 billion won that returned on 7 and 8 June after the 5-6 June holiday.

On 14 June, 771.6 billion won—566.3 billion won of demand deposit, 205.3 billion of savings deposit—returned to the banking institutions. This is an amount similar to that returning under ordinary circumstances. Therefore, the cash issuance decreased to 12.6 billion won and 42.3 billion won on 14 and 15 June respectively.

The price of gold remained the same 41,200 won per Korean ton (3.7565 grams) since 10 June. Only the black market dollar price rose from 820 won to 835 won per dollar on 14 June, but it remained static on 15 June.

Ministry To Lower Minimum Loan Requirement

SK1506012494 Seoul THE KOREA HERALD in English 15 Jun 94 p 8

[Text] The government will allow foreign banks operating in the nation to reduce the amount of money they are required to loan to small- and medium-sized companies, a top official of the Ministry of Finance said yesterday.

Currently, foreign banks are required to lend 35 percent of an increase in their total lending to small- and medium-sized companies.

Assistant Minister of Finance Sin Myong-ho said the government will allow them to allocate 10 percent of the loan increase for the purchase of bonds related to small- and medium-sized companies in the primary market.

This action taken by the government will have the effect of reducing the ratio to 25 percent, Sin said at the Korea-U.S. Business Conference which ended yesterday.

Referring to the North Korean nuclear issue, he said, it has had no serious effect on the South Korean economy.

"Our economy has now attained a mature phase of development which will allow us to sustain our economic policies without real effect from the present nuclear issue," he said.

He said South Korea's total foreign exchange holdings, which stand at \$37 billion at the moment, are equivalent to the value of four months of current foreign exchange transactions.

Should the South and North Korean confrontation over the nuclear issue be prolonged, however, South Korea would find it difficult to secure funds in foreign money and capital markets.

The Ministry of Finance's internal report said Korea would have to pay higher rates of interest on its loans from abroad if the nuclear issue is not resolved at an early date.

The report said the ministry will encourage domestic corporations and financial institutions to issue depositary certificates to secure funds abroad instead of bonds whose yields may fluctuate.

Yields of the bonds issued by Korea corporations and financial institutions have recently climbed by one-sixteenth to one-eighth of a percentage point, the report said.

In the face of rising interest rates, the report said, some domestic banks have delayed their plans to borrow money from abroad.

Timing of Yankee Bonds Issuance Reconsidered

SK1406042394 Seoul KYONGHYANG SINMUN in Korean 10 Jun 94 p 2

[Article by Yi Tae-kun from the "Reporter's Memo" column: "Seoul Metropolitan City Government's Administration Affected by North Korea's nuclear issue"]

[Text] The Seoul Metropolitan City government is agonizing over "the issue of inspections of North Korea's nuclear facilities." At a glance, there is no seemingly understandable relationship between "Seoul City government and North Korea's nuclear development" at all. This notwithstanding, there is an understandable story in this relationship, because there is a delicate functional relation in which the Seoul City government might suffer from not a little monetary loss, depending upon where the direction of North Korea's nuclear issue goes.

The Yankee Bonds (bonds issued in U.S. dollars by the U.S. stock market), which the Seoul City government was thinking about issuing this month, are linked to North Korea's nuclear issue.

The Seoul City government had planned to issue Yankee Bonds worth \$300 million (240 billion won) with a view to investing—the funds raised by these bonds—in the equipment to be used for some sections of the second-phase construction of the Seoul Metropolitan Area subway system. The construction will be completed at the end of this year. Yankee Bonds, with interest rates of as low as 6 to 8 percent, provide better loan terms than any other domestic stocks because they are long-term bonds with a maturity of 10 years.

But, a problem has arisen. Tension between North Korea and the United States and between South and North Korea has been mounting to the highest point over the last few days. As a result, voices calling for "warning against the North" and "imposing economic sanctions against the North" have been heard. If such a situation is not removed, the Korean peninsula will be viewed by American investors as an unstable area, and a risk will be added, so that interest rates will drastically increase.

In fact, the interest rate, which has been regarded as acceptable only if it increases to 7 to 8 percent, is predicted to increase to over 9 percent—far exceeding the expected rate—as a result of the recent worsening situation surrounding North Korea's nuclear development.

This is not the only problem. The fact is that American institutional investors might not buy the bonds issued by the Seoul City government at all. If Seoul City's Yankee Bonds are issued and there are no buyers—which would be a very rare occurrence—it will be a disgrace to our country, let alone the Seoul City government.

Under these circumstances, the Ministry of Finance has given a guideline "of stressing the need to reconsider the timing of issuance of Yankee Bonds" to the Seoul City government, saying that "the situation surrounding North Korea's nuclear issue is ominous." Because of this, the Seoul City government has for the moment canceled its plan to issue Yankee Bonds during this month. But, officials concerned at the Seoul City government wear tearful faces, saying: "How can we now raise money for the construction of the subway for the latter half of this year?"

Jan-May Foreign Car Sales Increase From 1993

SK1706090794 Seoul KYONGHYANG SINMUN in Korean 17 Jun 94 p 8

[Article by reporter No Ung-kun]

[Text] Foreign car sales are rapidly increasing this year. According to data released from the Trade, Industry, and Energy Ministry and foreign car importers on 16 June, foreign cars sold in the domestic market in the January-May period numbered 1,059, marking an increase of 44 percent over the 735 cars sold in the same period last year.

The number of foreign cars sold was 148 in January, 119 in February, 233 in March, 227 in April, and 332 in May, thus registering a marked increase since March.

During the period, 586 U.S. cars were sold, accounting for 55 percent of all the foreign cars sold. This was followed by 249 German cars (24 percent), 139 Swedish cars (13 percent), 63 French cars (6 percent), and 22 Italian and British cars (2 percent).

The rate of increase in the importation of cars for the first five months of this year was 15 percent, far lower than the rate of increase in sales in domestic market. This must have resulted from the considerable old stock of last year carried forward to this year.

The foreign cars imported for the first five months of this year were 1,286, an increase of 15 percent from the statistics for the same period last year.

Of all the foreign cars imported, U.S. made cars were 768, accounting for 60 percent of the total imported cars, an increase of four percent over the same period last year (735 cars).

* Government, Business Figures Discuss Exports

942C0116A Seoul HANGUK KYONGJE SINMUN in Korean 23 Apr 94 p 19

[By reporter Chong Yong-pae: A panel discussion on "How To Strengthen TDX Exports" attended by Pak Song-tuk, director of the Communications Policy Office of the Ministry of Communications; So Sang-to, managing

director of Goldstar Information & Communications; Pak Ha-ku, managing director of Korea Communications Engineering; Ho Song-pu, director of Daewoo Telecom; Kim No-chol, center director of Korea Telecom; Kim Yong-ki, director of Samsung Electronics; Im Chu-hwan, group leader of the Electronics and Telecommunications Research Institute; moderated by Kim Chong-nam, executive director of the Communications Industries Association]

[Text] The market for telecommunication equipment, including private area branch exchange devices, has been liberalized, allowing foreign companies in this field to set up operations in the country. The limited domestic demand plus the foreign competition in the country now leave Korean manufacturers unable to rely on the domestic market alone. To find a way for survival, they must strengthen exports. Following are views of government, business and association officials on this subject, with a focus on ways and means to increase exports of the indigenously developed digital switching system, TDX. (Editor)

—Kim Chong-nam: The nation's market for telecommunication equipment has been largely liberalized by multilateral and bilateral agreements. This is no time for our firms to stick to the domestic market alone; they must be more active to develop markets overseas. What is your views on how to strengthen exports of the indigenously developed digital switching system, TDX, including TDX-10.

—Ho Song-pu: Daewoo has so far exported a total of 20,000 circuits to Iran and 50,000 circuits to the Uzbek Republic. This year it will concentrate more on exports, particularly to central Asian countries. We are already pushing exports to a few countries in that region. We took part in the bidding for 3.6 million circuits in Iran, in which three companies are left in the final round of competition now. Of them, Daewoo is a strong candidate. A small-type switching system was developed last year, which we plan to export to China for the first time. In that respect, Daewoo is near an agreement with China on setting up a joint venture; negotiations are in the final phase. Daewoo's total exports so far are 70,000 circuits.

—Kim Yong-ki: Samsung is already exporting to China, Russia, and South American and East European countries. Through the end of last year, it exported a total of 520,000 circuits—200,000 to Russia, 120,000 to China, 50,000 to South America, and 150,000 to East Europe. We plan to focus more on countries where we already set up our operations, exporting an additional 1.5 million circuits by the end of this year. Samsung plans to export a small-type set, TDX-1B, to China, and the large 100,000-circuit system to Russia.

—Kim Chong-nam: Tell us about difficulties you experienced concerning exports, and how you worked on them.

—Kim Yong-ki: First, it was the funding problem. In placing an order for a large project, the ordering country

is usually unable to do so with its own fund alone. Potential TDX importers are mostly poor countries. So, to promote exports, we have to give them loans. To support their switching system exports, Japan disbursed more than \$51.99 billion and Germany \$88.25 billion from their respective foreign economic cooperation funds.

Korea's foreign economic cooperation fund is 430.2 billion won [W], of which only W92.6 billion was put out in support of TDX exports. We have difficulties in terms of funding support, too, for in Germany's case, it is an installment payment over 30 years at an interest rate of 0.75% to 2% per annum but, in our case, the rate is much higher. Because of this, Samsung suffered a defeat in Hungary. At the last minute of signing the contract, Hungary turned us down in favor of Germany.

They told us then that there was no problem with our offer, the model and everything else, but the terms of funding. It shows what is the biggest difficulty in TDX exports.

Also, when making inroads into underdeveloped countries, we need the certification of payment but the Export Insurance Corporation simply refuses to provide it. This is one of the problems that should be corrected promptly. So far, there has been not a single case in which the corporation granted the certification.

—Ho Song-pu: Daewoo also finds the funding support the biggest problem. In Iran's case, it demands cooperation in funding as a precondition of bidding. In the latest bidding, Iran demands that our bank file an official document with the Iranian bank promising its funding support. We are worried if the Korean Export-Import Bank will respond favorably. Concerning our plan to export TDX-10 to Iran, we met problems with the Coordinating Committee for Export Control (COCOM). We wonder why we are still subject to COCOM restrictions while U.S. firms already set up joint ventures in Russia.

—So Sang-to: What Goldstar can do now is to set up operations in developing countries, for we find it difficult to make inroads into the markets of the advanced nations. But the lack of funds is our problem, too.

—Kim Yong-ki: When we export TDX, we must invite technical workers from the importing country for training. In this case, the process of obtaining visas for them takes too long a time. Also, the officially required testing procedures are too complicated for newly developed devices.

—Kim Chong-nam: I understand that COCOM restrictions were lifted at the end of March this year, except for exports to Iran, Iraq and North Korea. That was after that that U.S. firms could set up operations in Russia.

—Kim No-chol: Companies should make efforts to win the certification of the international quality standard organization, ISO 9000. Korea Telecom will make its efforts to win designation as a certifying agency. Developing

countries will sooner or later demand the ISO 9000 certification on our products. We should be prepared for it.

—Kim Chong-nam: Let's talk about the question of testing and evaluating on TDX compatibility.

—Im Chu-hwan: The Electronics and Telecommunications Research Institute is preparing for equipment to be used for the testing and evaluation. We cannot do it right now but will soon be able to provide the service.

—Pak Song-tuk: Korea set out to develop the small-type switching system in the early 1970's. It now has its own system. Companies should not entirely depend on the Ministry of Communications [MOC] in developing markets overseas. Even inside the government, some wonder why the MOC should be playing a leading role with exports by businesses. It is a fact, however, that the MOC is giving greater assistance to firms trying to make inroads into foreign markets than before. Most important in promoting switching system exports is to gain the importing nations' trust. In this respect, the MOC backs up businesses by promoting trust-based relationships with importing countries. For instance, we invite students from underdeveloped nations for four to six weeks of training in Korea. These things help gain their confidence. In Romania's case, students who had received such training strongly asked their government to import TDX. This led to TDX exports to Romania. The government's role is to render that type of support. The government has also disbursed a great deal of money from its foreign economic cooperation fund. In the interest rate, too, we are constantly striving to bring it down to the advanced nations' levels.

—Kim No-chol: The largest annual order Korea Telecom has ever placed was 2.78 million circuits. Its order for this year, however, is estimated at 1 million circuits. Domestic demand for switching systems is on the decline every year. We will, nevertheless, endeavor for an upturn.

—Kim Chong-nam: The switching system is a high-tech complex type of computer, semiconductor and communication device. It has a greater value added than other manufactured goods and is highly effective in inducing exports of related equipment. Therefore, business firms should no longer see it as separate commodities but part of a package. They should establish export strategy based on that concept, including tie-ups between businesses.

—Pak Ha-ku: Korea Communications Engineering is in charge of supporting exports. Its duty is to curb excessive competition and promote autonomous adjustments among the four companies in penetrating into foreign markets. Currently, we are conducting such adjustments with 78 importers. In the past, there were cases in which more than one company set up operations in the same importing country, causing the price to fall and creating confusion in that country. We have no such problems

now. Korea Communications Engineering is doing designing and counseling services for developing countries.

—Pak Song-tuk: Business firms should show greater concern about foreign trainees, because they play a significant role in their governments' choosing our models.

—Pak Ha-ku: With the switching system alone, the value added is limited. We should make a comprehensive approach with related products, including lines and networks. Korea recently received Brunei's order for 5 years of maintenance and repair services. This shows that we can sell equipment to guarantee operations, too.

—Kim Chong-nam: We should conduct effective promotional activities to convince importers that TDX, our mainstay item, is superior in quality. Dacom Corporation had been using a U.S. model when it recently tried to add a new function. Finding that it has to pay an exorbitant price for new software, Dacom is reportedly considering switching to a domestic model. In short, Dacom's case shows that the domestic model is less expensive and better in quality. We should bring the fact to the attention of all importing countries.

—Pak Song-tuk: International trust is important. We could make inroads into Chinese markets because the Chinese trusted us.

—Kim Chong-nam: On the private level, a memorandum of understanding was exchanged between the Korea Communications Industries Association and the China Posts and Telecommunications Industries General Corporation. As a result, China will invite a Korean delegation in May, and a bilateral communications cooperation program will be adopted at that time. We will invite a Chinese delegation in the latter half of this year. We will have them inspect our industries during the visit and, if they have any requests then, we will add them to the program.

—Pak Song-tuk: The Chinese corporation is sending a 50-member delegation to Korea. The members are very important because they will make the decision on the proposed TDX import.

—Kim Chong-nam: The matter of international trust is being taken care of by the government, and I am sure

that there will be improvement in the funding issue, too, in the future. Therefore, all there is left for business firms to do, I think, is to effectively use joint export strategy through tie-ups and endeavor to develop markets overseas.

Contract Signed for High-Speed Rail System

SK1406075194 Seoul YONHAP in English 0729 GMT 14 Jun 94

[Text] Seoul, June 14 (YONHAP)—The Korea High-Speed Rail Construction Authority (KHRC) contracted with Anglo-French Consortium GEC-Alsthom on Tuesday for the 2,101.6-million-dollar high-speed train system.

KHRC President Pak Yu-kwang and GEC-Alsthom President Pierre Bilger signed the contract at the Korea Chamber of Commerce and Industry (KCCI) in downtown Seoul. The contract will take effect when the KHRC makes an advance payment to GEC-Alsthom after the authority takes out a loan with Indosuez Bank of France for 2,337 million dollars, a KHRC official said.

With Tuesday's contract, the system for the high-speed railway linking Seoul and Pusan has finally been decided—the TGV (Train a Grand Vitesse)—almost three years after the KHRC invited bids from France, Germany and Japan on Aug. 26, 1991.

Train manufacturers from France and South Korea will jointly design the TGV trainsets late this year with production slated for June next year, according to the KHRC.

The high-speed train system will be established by September 2001, with the TGV trains running on the 410-kilometer track between Seoul and Pusan in 124 minutes at a maximum speed of 300 kilometers per hour with over 1,000 passengers aboard.

As for technology transfers from GEC-Alsthom to South Korean businesses, KHRC officials said that at least 50 percent of the 46 trainsets must be localized and that if the localization rate does not reach 50 percent, Alsthom should pay a fine comprising 20 percent of the shortfall, according to the KHRC.

Meanwhile, 12 Korean and French firms will participate in a consortium to manufacture and supply the trainsets, and the consortium will be divided into five groups, KHRC officials said.

Burma

Khin Nyunt Discusses Human Rights Issue

OW1606140794 Tokyo KYODO in English 1355 GMT
16 Jun 94

[Text] Yangon [Rangoon], June 16 KYODO—A Myanmar [Burma] military government leader made no reference to the fate of pro-democracy leader Aung San Suu Kyi, who has been under house arrest, during his meeting with a Japanese business mission Thursday [16 June], mission members said.

Lt. Gen. Khin Nyunt, secretary of the ruling State Law and Order Restoration Council, defended the house arrest of the Nobel Peace Prize winner and brushed aside the concept of human rights. "What are human rights as referred to by western people are targeted to limited people," Nyunt was quoted as telling the business delegation organized by the Federation of Economic Organizations (Keidanren). July 5 will mark the fifth anniversary of Suu Kyi's house arrest. Diplomatic sources in Yangon said the military government plans to continue the arrest beyond that date.

Nyunt told the Keidanren mission that his government will make efforts to promote economic development and achieve political stability before moving toward a nation under civilian rule, mission members said.

Kazuo Haruna, chairman of Marubeni Corp. and head of the 45-member team, told Nyunt it is regrettable that Japan's Official Development Assistance (ODA) has been suspended since 1988 and expressed hope that it will be resumed as soon as possible, they said.

The mission, the largest Japanese delegation ever to visit the country, is holding talks with Myanmar leaders on projects including Myanmar's oil industry. The delegation is due to depart the country Saturday.

Japanese Economic Mission Visits

Calls on Ministers

BK1706093694 Rangoon Radio Burma in Burmese
1330 GMT 16 Jun 94

[Text] A visiting Japanese economic mission led by Mr. (Kazuo Haruna), vice chairman of the Keidanren entrepreneurs organization and chairman of the Marubeni Corporation, accompanied by Japanese Ambassador Mr. Takashi Tajima paid a courtesy call on Vice Admiral Maung Maung Khin, chairman of Myanmar [Burma] Investment Commission and deputy prime minister, at the latter's office at 1100 this morning.

Later, the Japanese economic mission led by Mr. (Kazuo Haruna) held talks with the Myanmar delegation led by Vice Adm. Maung Maung Khin at the meeting hall of the Myanmar Investment Commission Office. Also present at the meeting were Brigadier General Abel, minister of national planning and economic development, and responsible departmental personnel.

First, Vice Adm. Maung Maung Khin welcomed the guests. Next, the Japanese economic mission leader expressed his appreciation for the opportunity to express his views. He explained that bilateral cooperation would benefit both sides and noted his entourage includes leading entrepreneurs. He went on to say investment, technical know how, and exports should be increased for private sector economic development. They will create more jobs which in turn will bolster economic development. He noted many investment opportunities for Japan exist in Myanmar.

Vice Adm. Maung Maung Khin expressed his happiness at meeting the Japanese entrepreneurs. He explained that local and foreign entrepreneurs are legally allowed to invest and engage in business activities in Myanmar. He noted that Myanmar is mainly utilizing its domestic resources for economic development. It also utilizes foreign assistance, and privatization of some state economic enterprises is being done in accordance with existing laws.

Following this, the Japanese mission inquired about the Myanmar Foreign Investment Law, privileges and incentives, and investment opportunities. Vice Adm. Maung Maung Khin, Brig. Gen. Abel, and responsible personnel answered the queries. The bilateral talks ended at 1200 noon.

At 1400, Brig. Gen. Abel explained Myanmar's prevailing situation, economic development, and investment opportunities to the Japanese economic mission at the hall of the International Business Center. Minister Abel next presented detailed explanations to queries raised by the Japanese mission.

Next, U Ohn Gyaw, minister of foreign affairs, extensively explained the activities relating to Myanmar's drug abuse control programs and environmental protection matters. The ceremony came to a close after Foreign Affairs Minister U Ohn Gyaw gave necessary explanations to queries raised by the delegation.

Told Junta Preparing for Democracy

OW1706101294 Tokyo KYODO in English 0951 GMT
17 Jun 94

[Text] Yangon [Rangoon], June 17 KYODO—Myanmar's [Burma] military junta is preparing "democratic foundations" for a civilian government, sources close to a Japanese business delegation quoted the chairman of the junta as saying Friday [17 June].

The sources said senior Gen. Than Shwe, chairman of the ruling State Law and Order Restoration Council (SLORC), told a delegation from the Federation of Economic Organizations (Keidanren) on Friday that, "though the military had to step in for a national emergency, the military should not stay in power for a long time."

"It is only natural that power be transferred to the civilian government. The SLORC is preparing democratic foundations before power transfer so that no more military intervention would be necessary in the future," Than Shwe was quoted by the sources as saying.

The 46-member delegation led by Kazuo Haruna, chairman of Marubeni Corp., arrived in Yangon on Wednesday for a four-day mission to explore investment possibilities in Myanmar.

SLORC Secretary Lt. Gen. Khin Nyunt, National Planning and Economic Development Minister Brig. Gen. David Abel and Foreign Minister Ohn Gyaw separately briefed the delegation Thursday on Myanmar's political, economic and foreign relations situations.

The delegation will be briefed by other ministers on various sectors of economy in the country later in the day, and it will visit industrial sites and a new port site near Yangon on Saturday before returning to Tokyo the same evening.

Myanmar's military seized power in a coup in September 1988 and established the SLORC.

In May 1990 national elections the National League for Democracy (NLD), led by Aung San Suu Kyi, won a landslide victory, but the military junta has refused to hand over power.

Suu Kyi, a Nobel Peace Prize laureate, has been under house arrest in Yangon since July 1989.

Brunei, Malaysia & Singapore

Malaysia

Minister Says Force To Get New Weaponry

BK1706083094 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 16 Jun 94

[Text] Malaysia's Rapid Deployment Force, RDF, will be equipped with new weaponry such as tanks, armored personnel carriers, and light anti-aircraft missiles. Defense Minister Datuk Sri Najib Tun Razak said today the procurement of the equipment for the force, which was to be formalized, in September will be made in stages depending on the government's financial capability.

He said, initially the force would be supported by the current armored personnel carriers, APC, in the Royal Armored Corps, the Short Starburst manned portable anti-aircraft missile, the Hercules transport of the Royal Malaysian Air Force [RMAF], and vessels from the Royal Malaysian Navy.

He said the purchase of more new equipment for the RDF requirement will be made in stages to provide the force with better mobility and fire power. He was speaking to newsmen after launching the ministry's Ma'al Hegira [Muslim New Year] celebration in Kuala Lumpur.

Singapore

Reversal of DPRK IAEA Withdrawal Urged

BK1606122594 Singapore Singapore Broadcasting Corporation in English 1100 GMT 16 Jun 94

[Text] Singapore has expressed concern over North Korea's decision to withdraw from the International

Atomic Energy Agency [IAEA]. A spokesman for the Ministry of Foreign Affairs said the move would have serious repercussions on international peace and security. He urged North Korea to reverse its decision. The spokesman also noted that North Korea is legally and morally obliged to observe all IAEA safeguards.

Navy Arming Ships With 'Air Defense Role'

BK1606145894 Singapore Singapore Broadcasting Corporation in English 1100 GMT 16 Jun 94

[Text] The Republic of Singapore Navy [RSN] is for the first time arming its ships with an air defense role. The RSN's six missile gunboats, MGB's, and support ships will be fitted with surface-to-air missiles. Acquired from France, the missiles will replace the Bofors anti-aircraft guns on the MGB's by next year. Second Defense Minister Dr. Lee Boon Yang described the upgrading exercise as practical. He said the introduction of improved technology like the Mistral missiles allows for the best use of RSN investment over the years. Dr. Lee was speaking at Brani Naval Base this morning when he visited the 185 Squadron.

Cambodia

Khmer Rouge Issues Statement on Cease-Fire

BK1706025894 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 16 Jun 94

["Statement by the Democratic Kampuchea Delegation on the Cease-fire;" dated 15 June—read by announcer]

[Text] I. The entire Cambodian nation and people, including the people in Phnom Penh and in rural areas and abroad, are very tired of the longer than two-decade war. The Cambodian nation and people do not want war. They yearn for peace and want all Cambodian parties to reconcile, in genuine national unity and peace so that every Cambodian has a chance to live normally.

His Majesty King Norodom Sihanouk thought about the roundtable meeting and the meeting of the roundtable commission to reconcile the nation and for peace. This represents his lofty desire to see all sides hold successive meetings, and to show increased mutual understanding until full national reconciliation and national concord are achieved.

The Party of Democratic Kampuchea [PDK] as a nationalist force has fought with the entire Cambodian nation and people for the survival of the Cambodian nation, people, and race for over 15 years. It does not want to seek or seize power and is not greedy. As the victim, the PDK, like the Cambodian nation and people, want to quickly end the war and reconcile the nation. It wants to rally all national forces so that the Cambodian motherland has peace and national union again with independence and territorial integrity.

II. Now, in the past and future, the PDK has been happy to have a cease-fire. The PDK does not want war and

fighting. We only want the war to end quickly and to achieve national reconciliation and peace quickly. The PDK holds that the cease-fire should be within the framework of a solution to achieve genuine national reconciliation and peace. Therefore, it is necessary to have a permanent cease-fire that is effective nationwide, with proper and adequate control by a commission or technical group to be set up to deal with this issue. We believe it is imperative to avoid using the cease-fire as a trick to cheat one another and the local and foreign public in order to continue fighting. In this case, it would not be a genuine cease-fire and fighting would continue. This would be against the will and aspiration of our nation and people who want to restore genuine national reconciliation and peace.

The Cambodian situation is very complex with the issues of war and national and social problems. Problems related to the war in Cambodia for over two decades have not been created by Cambodians and are not problems among Cambodians. These problems have been created by direct foreign interference and aggression. Fueling the war does not respond to the interest of the Cambodian nation and people. People are aware of the great suffering and destruction of the country during the over 20-year-long war. Continuing the war only serves the interest of foreigners whose aim and strategy are to annex Cambodia and place it in their orbit. This is particularly true for the communist Vietnamese who want the war in Cambodia to continue. They have pushed Cambodians into fighting and killing nationalist Cambodians so that communist Vietnam has a chance to bring in Vietnamese nationals to annex Cambodia.

With this aim and strategy in mind, foreigners do not want national reconciliation, national union, and peace in Cambodia. They only want to fuel the war so that they have a pretext and a chance to interfere in Cambodia in every way. Therefore, the cease-fire is not in the hands of Cambodians. The fact is that the cease-fire is an old issue the communist Vietnamese had raised a long time ago. It is one of three conditions raised by the communist Vietnamese to eliminate the PDK and the Cambodian people's resistance forces. People are aware of this.

It should be recalled that the three conditions were:

1. Getting Democratic Kampuchea to implement a cease-fire;
2. Getting Democratic Kampuchea to hand over all its zones to the former State of Cambodia of the communist Vietnamese, and now to the two-headed government; and
3. Getting Democratic Kampuchea to demobilize all its troops.

III. Despite all this, the PDK holds that as long as Cambodians strive to meet, talk, compromise, and make mutual concessions, we will eventually and gradually solve all these problems and move toward national reconciliation. Talking about the cease-fire and national reconciliation without concrete evidence is like the present situation

following the election of UNTAC [UN Transitional Authority in Cambodia]. People are aware of how bitter this has been.

This is the issue we have to discuss, now and in the future, until full national reconciliation and peace are achieved. The entire Cambodian nation and people are waiting to see a genuine cease-fire that is vital to them.

[Dated] 15 June 1994

Security on Nation's Trains Doubled

BK1706082094 Phnom Penh CAMBODIA DAILY in English 13 Jun 94 p 5 (Tentative)

[Text] Teams of 40 to 50 soldiers have been stationed on the nation's trains to protect passengers from continued Khmer Rouge attacks, the commander of the Royal Army's train protection force said.

Service on the Phnom Penh-Battambang and Phnom Penh-Sihanoukville train lines was halted for most of May because of attacks and damage to the tracks but resumed on May 21, said the commander, Sok Nearadei.

The Ministry of Public Works and Transport and the Ministry of Defense authorized the resumption of service in late May, he said. The number of soldiers on board was doubled after service resumed.

"But I don't know whether they can maintain security for the passengers or not," he said.

Sok Nearadei has also contacted the provincial commanders on the trains' routes to make sure there have been no recent incidents that might jeopardize the safety of the passengers.

Since January 1993 there have been 72 attacks on the nation's two trains and their tracks, Sok Nearadei said.

In those attacks 76 people were killed, and 207 wounded. In addition, 10 train engines, 26 wagons, 11 bridges and 1,008 meters of railway line were destroyed.

Though he said he hopes the teams of soldiers hired to protect the train will help to improve security, "Soldiers are helpless when it comes to the mines laid on tracks by guerrilla forces."

While local authorities in Kampot and Kompong Som Province have said that security seems to have improved, the train to Battambang is still plagued by Khmer Rouge activities.

On June 6 the Battambang train was delayed after the Kouk Trom bridge in northwestern Cambodia was destroyed. Service on the line currently ends in Pursat, but another train is running from Banteay Meanchey to Battambang.

King Needs More Months for Chemotherapy

BK1606143794 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT
16 Jun 94

[16 June message of King Norodom Sihanouk to his compatriots—read by announcer]

[Text] Beijing 16 June 1994

Beloved compatriots: I have the honor to pay my great, most affectionate respects to the two supreme patriarchs and all venerable monks and to all my beloved compatriots. I would like to inform you of the following news:

Following thorough and exhaustive examinations, my very competent Chinese doctors were of the opinion that for me to be completely cured, I must undergo three or four additional sessions of anticancer chemotherapy at the end of June, which will require me to stay in the PRC for another three or four months.

Although I have to live far away from you, venerable monks and beloved compatriots, all my heart and my thoughts will remain forever close to our revered motherland. Every morning, I make my prayer and pay my deference to the august image of our great guru, begging that full peace will return to all of Cambodia so that my beloved compatriots can once again live in happiness and enjoy prosperity as in the times of Sangkum Reas Niyum before the 18 March 1970 coup d'etat.

I wish the two supreme patriarchs, all Buddhist monks, and all compatriots the five Buddhist blessings, that is, long life, social prestige, happiness, good health, and enlightenment.

[Signed] Norodom Sihanouk

Indonesia

Setback in U.S. Talks Called 'Temporary'

BK1706070394 Jakarta ANTARA in English 1450 GMT
16 Jun 94

[Text] Denpasar, Bali, June 16 (OANA-ANTARA)—Negotiations between Indonesia and the U.S. on quotas for textiles and textile products held here last week have suffered only a temporary setback, an industry and trade official has said.

"With the adoption of the General Agreement on Tariffs and Trade (GATT), the quota system, which is against the spirit of GATT, will certainly be scrapped," Assistant to the coordinating minister for industry and trade Kosim Gandataruna said in Nusa Dua (Bali) Wednesday.

After closing the 10th convention of the International Apparel Federation (IAF) here, he said: "If the negotiations have become stalled because of certain problems, this will not last for longer than a decade."

He said that in the short-term Indonesia's exports of textile and textile products to the U.S. will continue despite the failure of negotiations.

In reply to a question asking why the U.S. stubbornly maintained its uncompromising stance during the negotiations, he said that the U.S. side continues to link trade with, among other things, human rights practices in Indonesia.

Minister Views Need for Restructuring

BK1706093394 Jakarta KOMPAS in Indonesian 6 Jun 94 p 2

[Text] Bandung, KOMPAS—Indonesia needs to embark on numerous domestic economic restructuring in an effort to compete with the other Asia-Pacific countries. The restructuring should be carried out not only through the issuance of deregulation packages but through the compatibility of the economic structure aimed at upgrading its competitiveness and providing a resilient national economy.

Speaking at the symposium on Reforms in the Asia-Pacific and Indonesia's Study on the Asia-Pacific at the Merdeka building in Bandung on 4 June, Finance Minister Mari'e Muhammed said, "We should absorb what is good." The other speakers were the head of the International Relations from CSIS, Drs. Bantarto Bandoro MA [Master of Arts], Drs. Bob Sugeng Hadiwinata MA and an economic observer, Dr. Shahrir.

According to Mari'e, all matters pertaining to the national economy should be carried out with a view to fortifying Indonesia's competitiveness at the international level. This needs to be carried out because countries which are competitive are becoming stronger than Indonesia, such as the PRC, Vietnam and India—all of them recently embarked on extensive economic restructuring.

Mari'e said Indonesia should take full advantage of the opportunities which the Asia-Pacific region has to offer, particularly in trade activities, investments and exports. The glamorous economic era of the Atlantic countries has begun to decline and more countries are turning toward the Asia-Pacific region.

Mari'e clarified that with the agreement reached at the Uruguay Round at the end of 1993, major changes and trends had occurred in the volume of international trade. This will bring about far-reaching implications and complications in connection with investments and international relations.

The Asia-Pacific region is a dynamic region and its development is rapidly expanding. It has become the locomotive for global economic development. Mari'e added that currently the population of the Asia-Pacific region amounts to 40 percent of the total world population. The region's Gross Domestic Product, GDP, has reached 50 percent.

According to Mari'e, the economic growth of the Asia-Pacific regional countries was recorded at an annual average of seven percent over the five consecutive years. This is a performance which had never been achieved by any region, including Europe.

Touching on APEC [Asia-Pacific Economic Cooperation], the finance minister said the grouping discussed the substance in greater depth. APEC would direct itself toward transforming the Asia-Pacific region into a region free from obstacles, paving the way for international trade and investment capital flows.

Mari'e said the 17-member APEC forum was established in 1989 by the former Australian prime minister Bob Hawke. He said, "Even though the United States is currently experiencing an economic setback, APEC's development depends on the American interest."

Meanwhile, Bob Sugeng Hadiwinata called for lesser dependency on on any cooperation forum which only makes rhetoric calls, and Indonesia should learn a lesson from the U.S.-Japan conflict and the collapse of the G-15 summit in New Delhi.

Bob Sugeng also clarified that, in facing the problem of conflicting interests within APEC members, Indonesia is becoming more dependent on the global market. As such, it would be better for Indonesia to externalize its national economy by eliminating any sentimental or emotional rhetoric.

Indonesia should avoid being too involved in any cooperation group which practises emotional solidarity. It should take a pragmatic approach by increasing its bargaining power at international forums. Probably, Indonesia should embark upon such a pragmatic approach in cooperation forums such as the APEC.

Another economic observer, Shahrir, considered that by the year 2005, there would be a new world with free trade in which the Asia-Pacific region would be the nucleus for global trade. This depends on the APEC members capability of providing employment for their populace while maintaining a high economic growth rate.

Issuance of New Deregulation Package Viewed

BK1606155694 Jakarta MERDEKA in Indonesian 4 Jun 94 p 6

[Editorial: "A New Deregulation Package for Investments]

[Text] A new deregulation package was issued by the government which permits foreign investors to monopolize public interests. Due to the inability of domestic investors to operate the foreign investments, some 95 percent of the shares were permitted to be owned by foreign investors. As such, foreign investors are permitted to purchase a large portion of shares of the infrastructure in the public interest in sectors such as ports, the production and supply of electricity to the public, railway services, nuclear-powered electricity generating plants and the mass media.

The deregulation package which was issued is named Government Regulation No:20/1994. It was endorsed by President Suharto on 19 May 1994. It was laid down in the regulation that foreign investments can be made through two methods—through direct investments and through joint ventures. Foreign investors are permitted to own a

95-percent stake if investments are carried out through joint ventures. As for direct investments, foreign investors are permitted to own a 100-percent stake and their investments should be exclusively situated within industrialized zones.

In short, we fully understand the statement made by Sanyoto Sastrowardoyo, Minister of State for Investment and Chairman of the Investment Coordinating Board, who said: "This is a courageous and big breakthrough [preceding two words in English]." According to Sanyoto, the foreign investors had been waiting for such a deregulation package to commence their operations in Indonesia. The government regulation was in accordance with Regulation No: 1/1967. But what went wrong? A group of industrialists, parliamentarians and people doubted that the new deregulation package would be successful.

For example, Benny Sutrisno observed that the government could be fully liberal because it could totally absorb the market economy by making attractive investment offers to foreign investors, including the public sector. Benny Sutrisno said he would agree only if such an action was undertaken for the sake of strengthening the country's economy. Apart from this, questions were also raised on whether approximations were taken into consideration on the negative aspect of the deregulation package. But it was different with Kwik Kian Gie, a philanthropist and economist. He was surprised at the government's decision to make an almost full offer of the public sectoral activities to foreign investors. He was confused over the definition of "the people's aspiration for a livelihood."

In fact, segments of the community are still in the dark over the government's strategy of offering the industrial sector to foreign investors. Therefore, it was probable that numerous persons have a similar opinion to that of Benny Sutrisno. The opinion was that it was clear that the government was independent in making the decision, which could prove to be critical. Those from the elite [preceding word in English] economic strata would definitely fall victim to this deregulation package. The public will definitely have to support the losses. This is considered to be an unfair practise.

Besides, there are those who considered that the deregulation package could spark off public anxiety because certain groups have varying convictions regarding the provisions of the 1945 Constitution—particularly the conflict which prevails between the ministers who favored the Government Regulation No: 20/1994 and certain parliamentarians who were ill-informed of the deregulation package. In fact, the government should have held consultations with the members of the House of Representatives prior to the announcement of the new deregulation package, which could provoke a multitude of queries.

We had pledged to further strengthen our climate of openness and democracy. On 11 March 1966, we conscientiously pledged to implement and uphold Pancasila [State ideology] and the 1945 Constitution. Then, why issue the new deregulation package, which is not in compliance with the provision of Chapter 14 of Article 33 of

the 1945 Constitution which states: All branches of production which are of significant national importance and which are in the public interest are state property. If we are still unconvinced by this, then let us again look again at the contents of Guide Book 1 on Pancasila. Let us look again at Chapter II [Roman two] on the Basic National Development, the Development Objectives under item A and the Bases for National Development under item B. Regarding the first four out of seven bases laid down for our national development, there is clearly a stress laid on the bases being for benefit, joint ventures, democracy and equal justice. These are wanting in the new deregulation package.

Students Deny Role in Racist Pamphlets

BK1606150194 Jakarta REPUBLIKA in Indonesian 9 Jun 94 p 12

[Text] Bandung, REPUBLIKA—The circulation of illegal anti-Chinese pamphlets has irritated college students in Bandung. They have expressed concern over allegations that their campus is masterminding the circulation. "The growing activities of Bandung college students have never degenerated and will never degenerate into racism and anarchy," a joint statement of the Bandung College Students Council said.

The Bandung college students have in fact been hit by the allegations because the circulation of the illegal pamphlets coincided with student demonstrations in the city over the Bapindo case [Indonesian Development Bank credit scandal] which was one of the focuses of the illegal pamphlets.

In the official statement, which was received by REPUBLIKA on Wednesday (8 June), they expressed concern over the circulation of the illegal pamphlets. The statement was signed by the general chairman of the Bandung Pedagogy College Students Council, head of the External Affairs Division of the Pasundan University Students Council, and president of the Bandung Islamic University Students Council. Students of the Pasundan University and the Bandung Islamic University have been the most frequent demonstrators over the Bapindo case.

They said: "We are concerned over the situation and are trying to study the current phenomenon while playing a role in restoring racial harmony."

For them, the Eddy Tansil mammoth corruption case, in which many senior state officials are implicated, has created a prolonged conflict. In addition, the case has also triggered racist moves and opinion. "Accordingly, we ask all interested parties to immediately and fairly settle the extremely destructive national case," concluded the statement.

Bandung has apparently become the source of illegal pamphlets and anti-Chinese rumors in recent weeks. Rumors that ethnic Chinese-owned shops have been and will be destroyed have surfaced several times.

Last Thursday, the chief of the West Java Provincial Police said he knew about the pamphlets and was studying the

case. In the same week, copies of a letter warning the general public against being provoked by misleading issues emerged. The letter was handwritten and bore the unsealed name the Military District Command 0618/BS.

The Bandung college students have in fact been determined to continue demonstrations over the Bapindo case until Sudomo [chairman of the Supreme Advisory Council chairman], Sumarlin [chairman of the State Auditing Board], and Nasruddin Sumintapura [member of the Supreme Advisory Council] are tried. The determination angered Major General Muzani Syukur, commander of the Siliwangi Third Military Region Command, who later issued a ban on street demonstrations.

Anti-Chinese illegal pamphlets subsequently spread during the murky situation in which citizens were urged to take to the streets on Sunday (5 June). Armed Forces Commander General Feisal Tanjung said in Jakarta on Tuesday (7 June) that the pamphlets were made by persons who just wanted to kill time.

In the meantime, the Bandung college students of 1966 and 1978 said in a separate statement that they reaffirmed support for the college student activism. In the statement to REPUBLIKA on Tuesday (7 June), they said that the college students have been cornered and considered a dangerous element in society.

The former college students who called themselves "old demonstrators" hoped that the college students would remain constant in the current struggle. "Either morally or physically," concluded Thomas Sitepu and friends.

Official Says Alatas in 'Good Condition'

BK1706004394 Jakarta ANTARA in English 1423 GMT 16 Jun 94

[Text] Melbourne, June 16 (OANA/ANTARA/REUTERS) - Indonesian Foreign Minister Ali Alatas is in good condition after heart bypass surgery in Australia and could leave hospital next week, an Indonesian Consulate official said on Thursday.

"He's fine. Good condition. Stable. Next Monday or Tuesday, he could leave the hospital," Indonesia's Melbourne Vice Consul Bambang Tarsanto told REUTERS.

Alatas, 61, was admitted to the private Epworth Hospital in Melbourne on Sunday and underwent a three-hour quadruple bypass operation on Monday after suffering a heart attack last month.

Bambang said the foreign minister's departure from hospital and return to Indonesia would depend on advice from his surgeon, Professor Brian Buxton, the hospital's head of cardiac surgery.

But he said he had no idea when Alatas would return to work.

Australian Prime Minister Paul Keating visited Alatas on Wednesday.

Alatas is a key figure in the Nonaligned Movement and in preparations for this year's summit of the Asia-Pacific Economic Cooperation.

Laos

Banquet Hosted for Visiting DPRK Premier

BK1606111994 Vientiane VIENTIANE TIMES in English 3-9 Jun 94 pp 1, 2

[Excerpt] Lao PDR [People's Democratic Republic] Prime Minister Khamtai Siphandon and Prime Minister Kang Song-san of the Democratic People's Republic of Korea (DPRK) expressed satisfaction over the growing relations of friendship and cooperation between the two countries.

This was said at a banquet hosted on the evening of June 3 at the National Assembly Hall by the Lao Prime Minister in honour of his visiting DPRK counterpart.

Among those attending the banquet on the Lao side were Deputy Prime Minister and President of the Committee for Planning and Cooperation Khamphoui Keoboulapha, Foreign Minister Somsavat Lengsavat, National Assembly standing members, ministers and members of the Lao Committee in Support of the Peaceful Reunification of Korea.

Prime Minister Khamtai Siphandon said in his speech, "while visiting your beautiful country in December last year, I was very pleased to have seen its continued growth. Within 46 years alone, the Korean people boosted their spirit of self-reliance, building their own strength based on the Juche [self-reliance] idea and overcoming various difficulties and obstacles, hence enabling the DPRK, once a poor and backward country, to become the socialist one with increasingly advanced agriculture, industry and technical science." He added that these achievements were evidence of the capable and wise leadership of the Workers' Party of Korea with the Korean people's Great Leader Kim Il-song as the head.

He also said that the current visit by the DPRK government delegation came at a time when the Lao people were focusing their efforts on implementing the comprehensive renovation policy of the party as well as the state socioeconomic development plan for the period towards the year 2000, designed to further build and develop the people's democratic regime and raise the living standard of the people, making the country stronger and wealthier. He stressed that the task was certain to be successful thanks to the unity of the Lao people, who are one-minded and resolute in advancing along their chosen path, and to valuable experience gained from more than ten years of national defence and development combined with support from close and distant friendly countries.

He said, "this afternoon, we both expressed our will to further work towards closer and more fruitful friendly relations and cooperation between the Lao PDR and the DPRK." The Lao Prime Minister also confirmed Laos' consistent support for the Korean people's just cause of safeguarding and building their socialist fatherland on the

northern part and of reunifying their country by peaceful means as well as making the Korean peninsula a peaceful, stable and nuclear-free zone.

On his part, Prime Minister Kang Song-san expressed deep thanks to the Lao government for extending warm hospitality to him and his delegation during their visit. He said, "we visited your country to further strengthen the relationship and cooperation between our two countries." He added that in recent years, delegations in more fields from the two countries have met and visited each other, he said.

The DPRK Prime Minister added, "we are very pleased to have visited the Lao PDR, a fraternal country, and to have seen with our own eyes actual achievements your people have scored in the task of building the new regime. Now the Lao people have greatly achieved the implementation of the socioeconomic development till the year 2000 for the prosperity of the country under the correct leadership of the Lao People's Revolutionary Party."

Speaking of the national development in his country, he said the Korean people are now realizing a policy of turning agriculture, industry and trade into priority areas, and are striving to achieve peaceful reunification of their country through setting up a federation based on the principle of national independence under the clear sighted leadership of both Great Leader Kim Il-song and Dear Leader Kim Jong-il.

He also said that from now on they would do their best to step up solidarity and friendship with the people of Asia as well as with the people of Laos. [passage omitted]

Staff Deputy Chief Rebuffs Thai Allegation

BK1606150394 Vientiane VIENTIANE TIMES in English 3-9 Jun 94 pp 1,4

[Text] Brigadier General Douangchai Phichit, Deputy Director of the Lao People's Army General Staff Department on June 3 denied allegations by Thailand that the Lao People's Army used chemical weapons along the Lao-Thai border, saying that the allegations were unfounded.

The army brigadier, who is also chairman of the sub-Committee for Lao-Thai Border Security Keeping, said in a press conference, "Colonel Prasit Mongkhontham, member of the sub-Committee for Thai-Lao Border Security Keeping, made a statement through Thai Radio and Thai TV (Channel 3) on the evenings of May 26, 27 and 28 alleging that the Lao People's Army put chemical substances into water and on tree leaves in the area along Thai-Lao border opposite Thai Phayao's Chiang Khan District, Thai Nan's Mae Rin District and Ban Sok in Thai Uttaradit and that this caused death to Lao people and animals."

He said the same statement was also published in the May 27 issue of "Thailand Times" and in the May 26 issue of "Daily News".

Brigadier General Douangchai Phichit categorically denied the Thai army officer's allegation and confirmed

that the Lao People's Army neither spread chemical substances over those areas nor possessed any such chemical weapons, chemical substances, nor have they purchased any such chemical substances from abroad. He added that such a news report was simply a fabrication by Thai authorities. He stressed that not only was it slander against the Lao People's Army and the Lao PDR [Lao People's Democratic Republic] but also an act of sabotage against the Lao-Thai relations, causing trouble in the areas concerned and creating misunderstanding between the people of Laos and Thailand.

The Lao army officer also held that the one who created the event had to solve it. This means that Colonel Prasit Mongkhontham must admit his statement in front of the Lao side during the meeting of the committees for Lao-Thai border security keeping scheduled to take place in Vientiane late June this year.

He elaborated that to improve cooperation in common border security keeping both sides had to strictly implement the relevant agreement signed between the two committees for border security. Only in so doing would the two armies be able to fulfill their responsibilities to their respective governments for safeguarding peace and security along the common border.

Assembly Delegation Leaves for Tokyo

*BK1606150794 Vientiane KPL in English 0908 GMT
16 Jun 94*

[Text] Vientiane, June 15 (KPL)—A National Assembly delegation of the Lao PDR [People's Democratic Republic] headed by Souli Nanthavong, head of the Institute for Science, Technology and Environment, on June 11 left here for a meeting of the International Parliamentary Union held in Tokyo, Japan, from June 13-17.

The meeting will focus on the issues of science and technology for regional development. It is attended by parliamentary delegations from countries in the Asia-Pacific and advanced countries in science and technology in both Europe and America.

The main agenda of this meeting was to review the important role of parliament in boosting cooperation and scientific and technological development to serve development purposes.

'Very Successful' Than Shwe Visit Noted

*BK1506033794 Vientiane Vitthayou Hengsat Radio
Network in Lao 1200 GMT 13 Jun 94*

[Interview with Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic, at Hokham Presidential Palace in Vientiane on 13 June on success of the five-day visit to Laos by Than Shwe, chairman of the State Law and Order Restoration Council of the Union of Myanmar,—recorded]

[Text] The visit to our country by His Excellency [H.E.] General Than Shwe, chairman of the State Law and Order Restoration Council of the Union of Myanmar [Burma], is

a great honor for our country, as it was the first country he visited on his overseas trip. During his four days here, in addition to holding official talks with H.E. President Nouthak Phoumsavan, H.E. Gen. Than Shwe also called on H.E. Khamtai Siphandon, chairman of the party Central Committee. During the talks, the two leaders exchanged views on the situation in their respective country, thus enabling each other to understand more deeply the changes that are taking place. The most important event of the visit was the signing of three agreements by the two sides as reported earlier, namely the agreement on the international boundary; the agreement on the establishment of a joint commission for economic, scientific, and technical cooperation; and the agreement on tourism cooperation. I believe that the three agreements are politically and economically significant because they have laid down a basis for the strengthening of relations between our two countries in the future.

Therefore, it can be said that the visit was very successful and the two sides are very satisfied with its outcome. Before we came here, H.E. Chairman Than Shwe and H.E. President Nouthak Phoumsavan also met and had a chat with each other, reaffirming the success of this visit.

Party Propaganda Board Delegation Returns

*BK1706051494 Vientiane Vitthayou Hengsat Radio
Network in Lao 0000 GMT 17 Jun 94*

[Text] After ending a one-week official visit to the PRC, the delegation from the Propaganda and Training Board of the Lao People's Revolutionary Party Central Committee led by Osakan Thammatheva, member of the Party Central Committee and acting chief of the Propaganda and Training Board, returned to Vientiane on 16 June. The visit, which began on 9 June, was gloriously successful. During the visit, the Lao delegation discussed and exchanged experiences with a delegation from the CPC Central Committee Propaganda and Training Board on the implementation of ideological work. The visit has contributed to enhancing the traditional solidarity between the two parties, two states, and two peoples of Laos and China.

In addition to visiting Beijing and calling on Chinese leaders, the Lao delegation visited Tianjin and Kunming. The delegation was accorded a warm welcome by Chinese hosts everywhere they went. The delegation has also invited a delegation from the CPC Central Committee Propaganda and Training Board to visit Laos.

Border Checkpoint With SRV Province Opens

*BK1606151094 Vientiane KPL in English 0934 GMT
16 Jun 94*

[Text] Vientiane, June 15 [date as received] (KPL)—A delegation of the Vietnamese Nghe An Province led by Mr. Pham Xuan Tuu, vice-secretary of the Party Committee and chairman of the People's Administrative Committee of the province has recently paid an official visit to km 20 in Bolikhamsai Province.

The Vietnamese delegation was received by Mr. Nakhon Sisanon, secretary of the Party Committee and governor of Bolikhamsai Province. Both sides informed each other about the success in the implementation of the party and state policy on renovation and cultural development in their respective countries. They highly valued the long standing friendly relations and special solidarity between the two parties, states and peoples.

The Vietnamese delegation then visited production bases in km 20, Khamkeuat District, the project for construction of Namphao hydro-power dam, the modern sawmill, wood processing factory, marble factory and other places.

The two sides also signed a protocol on the cooperation in economic, cultural and social development and in the border issue between the two provinces. According to the protocol, the two sides will cooperate in the management and maintenance of the border posts nos T-11 and T-8 to ensure order and security along the border. They agreed to open a border check point in Yot Nam sub-district, which share a border with the Vietnamese Nghe An Province, to facilitate goods exchange between the peoples living along the border.

Timber Seized in Vientiane, 100 Cubic Meters

*BK1606151594 Vientiane KPL in English 0917 GMT
16 Jun 94*

[Text] Vientiane, June 15 (KPL)—More than 100 cubic metres of timber were seized last month from illegal loggers by the authorities concerned in the district of Keo Oudom, Vientiane Province.

Local sources reported that the case had been already filed to the local court.

Philippines

Romulo Disagrees With Evans View of EAEC

*BK1706064594 Manila MANILA STANDARD in
English 15 Jun 94 p 6*

[Text] Australia, Asia's third largest economy, has reiterated its misgivings over the formal launching of the East Asian Economic Caucus (EAEC), saying that its exclusion of the United States will only create "dangerous fissures" within Asia-Pacific.

Australian Foreign Minister Gareth Evans, who left Manila yesterday after concluding a six day visit, disagreed with the Philippines' views that the EAEC will be a "meaningful bridge" between ASEAN and the developed countries.

Evans stressed the EAEC, a sub-regional grouping within Asia, was "potentially divisive."

"I think it's very dangerous to the region to develop into splits or fissures down the Pacific, as between the North American and East Asian economies. We've seen the dangers that may be involved in that," Evans explained.

Evans cited the recent trade disagreements between the United States and Japan and the United States and China. He said these potential splits within the Asia-Pacific may be transformed into wide divisions in the world trade areas if the EAEC pushes through.

He said that it would be more conducive and productive to develop the Asia Pacific Economic Cooperation (APEC) forum which brings together trade powers from both sides of the Pacific including the United States, China and Japan.

Foreign Affairs Secretary Roberto Romulo disagreed with Evans' position, stressing that the EAEC, a concept spear-headed by Malaysia, was a "value-added" item to APEC-member countries.

Romulo said Evans needs to be educated on the EAEC concept so that he would understand the positive effects of the forum within APEC.

The EAEC was conceived as a loose forum for APEC-member countries in Asia to discuss achievements gained and informal agreements arrived at during the APEC meeting last November in Seattle.

The EAEC has the support in the ASEAN which groups the Philippines, Malaysia, Brunei, Singapore, Thailand and Indonesia. It has invited Japan to the forum but shut its doors to the United States and other North American countries.

"I guess we need to enlighten (Evans) further," adding he was informing other EAEC members of Australia's position on the issue.

Evans, however, supported the Philippines' stand in opposing the use of non-trade issues such as human rights and labor conditions on developing countries as prerequisites to trade relations with rich nations.

He stressed that while Australia puts priority in its human rights campaign, it shuns the use of this issue as a protectionist tool by developed countries such as the United States.

The United States recently granted its most favored nation status on trade to China, although earlier it had contemplated tying up the issue with China's human rights record.

Ramos Approves Amount for Rural Development

*BK1706064794 Manila BUSINESS WORLD in English
15 Jun 94 pp 1, 6*

[Text] Another P [Philippine peso] 8.7 billion will be pumped into the agriculture and irrigation sectors in the coming months as the Ramos government primes up its countryside development program.

In a statement released yesterday, National Economic and Development Authority (NEDA) Director General Cielito Habito reported that President Ramos who also heads the

NEDA Board has given the go signal for the implementation of six infrastructure development projects located in the countryside.

The largest budgetary outlay of P6.1 billion was earmarked for the Arterial Road Links Development Project.

Under the project, a total of 327.8 kilometers of arterial or secondary roads in different parts of the country will be cemented.

Once completed, 96 percent of the country's arterial road network will have been paved, Mr. Habito said.

Other projects in the approved package are:

- The P399.8 million Angat Afterbay Regulator Dam which involves the rehabilitation of the main diversion structure of the Angat-Maasim River Irrigation System that serves about 28,316 hectares of agricultural lands;
- The P578.1 million Optimum Water Utilization and Rural Development Project, which includes the construction of the Aganan River Irrigation System to improve farm productivity and promote efficient water and land resource utilization through the improvement of irrigation facilities, construction of post-harvest facilities, and procurement of necessary equipment;
- The P451.1 million Catubig Valley Rural Development Project, which will construct and provide agriculture and rural infrastructure as well as agricultural support services, flood protection and schistosomiasis control;
- The P688.6 million 18th RP [Republic of the Philippines]- Japan Increased Food Production Program, under which the Japanese Government will provide commodity assistance in the form of fertilizers, pesticides, machinery and equipment; and
- The P450 million U.S. Public Law 480 Title I for 1994 for the importation of soybean meal for sale to poultry and hog raisers and feedmillers in the country.

The approval of the projects dovetails with the economic thrust of the Ramos administration for agri-based industrial development in the different regions and growth areas.

At present, more than half of the industrial output of the country comes from Metro Manila and its neighboring provinces.

It is the medium-term design of government to disperse the industrial activities to the countryside.

Among the major growth areas being eyed by the Ramos Administration are the former U.S. military bases in Subic and San Fernando, the Northwestern Luzon growth quadrangle, the Cagayan de Oro-Iligan Corridor and the South Cotabato-Sarangani-General Santos area.

Second Round of Talks With NDF Slated

*BK1706045794 Manila BUSINESS WORLD in English
15 Jun 94 p 12*

[Text] Government and communist rebels have agreed to hold the second round of exploratory talks during the third

quarter this year. The government panel, headed by Ambassador Howard Dee and the National Democratic Front (NDF) panel led by Luis Jalandoni reached the agreement during a marathon meeting at Breukelen, the Netherlands last 10 to 14 June.

In a joint statement, Messrs. Jalandoni and Dee said the next round of talks will "discuss and agree" on the sequence and the functions of different working committees. The reciprocal working committees in turn will study and make recommendations for the panels in order to forge a lasting peace settlement.

The talks were earlier stalled because of several misunderstandings on key issues. The NDF had also repeatedly questioned the sincerity of the government.

Last month, negotiations between two parties almost broke apart with the capture of Communist Party of the Philippines Secretary General Wilma Tiamzon. After President Ramos ordered her release, optimism was raised on the gesture's effect on the talks.

Mr. Jalandoni said the talks which ended yesterday resulted in the "clarification of issues and perspectives on both sides."

Mr. Dee earlier complained about the NDF's hesitance to engage in preliminary talks, saying the political wing of the communist party failed to communicate with the government panel. Mr. Jalandoni said he is pleased with the outcome of the preliminary meeting.

"The Breukelen meeting is significant step on the long and tortuous road towards a just and lasting peace in our country," he said. He added the meeting showed the NDF's commitment to lasting peace in the country.

The two panels also signed a ten-point agreement preparatory to the resumption of the second round of talks.

Thailand

UNHCR Representative Visits Vietnamese

*BK1706132894 Bangkok Voice of Free Asia in Thai
1030 GMT 16 Jun 94*

[Text] The newly posted UNHCR representative to Thailand, Ruprecht von Arnim, a German national, visited a refugee center in Si Kheu District, Nakhon Ratchasima Province, and later called on provincial Deputy Governor Phot Chaiman. The UNHCR representative praised provincial officials for their humanitarian service to the Vietnamese refugees. He said the refugees at the center were accorded warm and sincere hospitality.

He said that all refugees would be encouraged to return home as soon as possible. Repatriation should be completed in 1995. Concerning the Vietnamese who wish to go to third countries, the UNHCR representative said no third countries want them and they must all return to Vietnam. He praised the Thai Government for having carried out a smooth repatriation of a large number of refugees.

Further Reportage on Strike, Constitution**Chalat Agrees to Suspension**

*BK1606140194 Bangkok Thai Color Television
Channel 9 in Thai 1336 GMT 16 Jun 94*

[Text] Police General Prathin Santipraphop, director general of the Police Department, this evening called on and held talks with Lieutenant Commander Chalat Worachat in front of the National Assembly building.

Pol. Gen. Prathin told reporters that Lt. Cdr. Chalat agreed to receive medical treatment at the Police Hospital after he addressed the gathering of 2,000 people at about 1830 and after the motion of the Phalang Tham Party calling for the formation of a commission to compile, rewrite, and draft a constitution was not placed for early house deliberation.

Lt. Cdr. Chalat said that he will give himself up to the police director general to fight the majeste lawsuits waged against him as a result of his pursuance of the four-point demand.

Meanwhile, the police director general said that he merely came to talk to, not arrest Chalat and ask the latter to stop his hunger strike. The police chief also thanked the people for their peaceful participation in the rally and said that Chalat might resume his hunger strike after receiving treatment at the Police Hospital.

Phalang Tham MP's Motion Not Discussed

*BK1606134194 Bangkok Radio Thailand Network in
Thai 1200 GMT 16 Jun 94*

[Text] The House of Representatives held a meeting at Parliament today beginning at 1350. It was expected that the motion sponsored by Phalang Tham Party MPs proposing a special committee to redraft the Constitution would be taken up for discussion.

Before proceeding with the items on the agenda, which were already scrutinized by the house committees, the chairman of the session informed MPs that the Chat Phatthana Party requested the withdrawal of its motion on setting up a special committee to study guidelines to formulate a master plan for political reforms. The party said it wanted to make improvements on the proposal. The meeting approved the party's request. The chairman then asked whether any MP's would like to propose any other items for discussion, or proceed with items on the agenda.

The motion which the Chat Phatthana Party requested to withdraw was tabled as the 26th item, an urgent motion. The motion sponsored by Phalang Tham MP's was placed as the 28th item on the list. The fact that nobody proposed to move the motion up for discussion by the House of Representatives indicated that it would not be discussed today. And if it is debated according to the line on the agenda, the motion risks not being discussed at all during the present House session which is scheduled to recess by the end of July.

The House today discussed a report prepared by the committee in charge of holding celebrations to mark the

50th anniversary of the King's reign in 1996. MP's discussed the plan extensively from noon until evening. Most of those who took the floor proposed that the government hold celebrations worth the honor of His Majesty the King so that all people can take part in the campaign which should include activities which will benefit the general public. The House session continued until 1800.

During the session, a delegation led by the deputy speaker of the House of Representatives of Kuwait visited parliament. The group is currently on a visit to Thailand until 19 June.

'Unsavory' End

*BK1706130894 Bangkok BANGKOK POST in English
17 Jun 94 p 4*

[Editorial: "A Day of Madness and Treachery"]

[Text] It was the ultimate anti-climax, probably the biggest twist of the year. The protest for constitutional reform by Chalat Worachat which began with a big bang ended with just a heart-breaking whimper.

After three weeks of tension and political cliff-hanging, the abrupt end of the protest by supporters of hunger striker Chalat last night and his decision to give himself up to police to face a lese majeste charge left observers almost dumbstruck. The surprise turn of events also left a host of questions that beg answers, particularly from Chalat himself and from the so-called Organisation for Political Reform.

Have all the tireless efforts of Chalat's sympathisers and democratic aspirants for constitutional and political reform gone down the drain? Was this melodrama which had been played out in a deadly serious fashion merely a carefully-plotted political charade to fool the entire nation just for the sake of fun. If so it was not funny at all given the damages, which are yet to be estimated, already inflicted on our economy and on our investment climate. Or was it, after all, typical Thai politics which is unique in itself? Or has political sanity finally made a comeback to our childishly insensible political world?

Although puzzled or disappointed by the twist, quite a few will certainly sigh in great relief now that the protest is over and the situation about to return to normal. For the Democrats, the unexpected event constituted a double triumph in a single day and it will certainly give them good, although unjustified, cause for celebration.

It would be nice to be able to give credit to someone for bringing this unfortunate political event to a peaceful end. But there is no one that deserves the credit, not even Chalat himself who may well have instigated his own political demise by the sudden about face, for which he owes many of his supporters and sympathisers a reasonable explanation. He cannot take any credit and neither can the Democrats nor the Phalang Tham [PTP].

The Democrats have shown without any doubt that they had no intention whatsoever of ending the crisis despite

the fact that it could probably have been resolved peacefully yesterday had the PTP rebels' motion for a panel to write a new charter been allowed to move forward, debated in Parliament and endorsed with the support of the Opposition. Yet, the Democrats chose to scuttle the motion and thus allowed the crisis to continue, at least until next Thursday when the House reconvenes.

The adjournment of the parliamentary session by Deputy House Speaker Wan Muhamat Nomatha until next week which effectively blocked the motion was not coincidental, but plotted in advance in collaboration with the New Aspiration Party. This coup de grace is proof positive of the Democrats' political intrigue and treachery which are unequalled by their fellow MPs in the other parties. It is a special craft learned, nurtured and honed from decades of political experience by the Democrats.

A victory and the sense of joy that goes with it, even temporarily, seems to be what the Democrats craved for, regardless of the cost that this country will be made to pay. If common sense and political sanity still prevail among the Democrats who seem to be blinded by their arrogance and stubbornness, the crisis should have ended with the Democrats rightfully claiming the credit. Yet, they knowingly and intentionally allowed the opportunity to slip past.

After all, there are no real winners in this political charade. There are only losers—and the real losers are undoubtedly the people in general.

The unsavory political events in and out of Parliament yesterday were simply too much to digest, even by Thai standards. It was the ultimate in absurdity and defied all reason.

Where do the people get their hopes from now after the end of this farce? What trust is there for a government which is only good at political manoeuvring and intrigue, but which has failed completely in national administration? Can we still place our hope and the destiny of this country in the hands of the same incompetent politicians a year, a month or a week longer?

It's time we asked ourselves loudly whether we want a new hope—perhaps a better future—through a general election or should we just let ourselves go down the drain with this sinking ship of state?

Vietnam

DPRK Envoy Holds News Conference on Withdrawal

BK1706071294 Hanoi VNA in English 0607 GMT
17 Jun 94

[Text] Hanoi VNA June 17—Ambassador of the Democratic People's Republic of Korea Han Min-chol held here yesterday a press conference to introduce the DPRK Foreign Ministry's statement dated June 13 on the nuclear issue of his country.

At the function, Ambassador Han Min-chol informed the participants of the DPRK's withdrawal from the International Atomic Energy Agency (IAEA) and affirmed that this issue can only be resolved properly through negotiations and consultation.

High-Ranking Delegation Visits DPRK 14 Jun

BK1706004194 Hanoi VNA in English 1437 GMT
16 Jun 94

[Text] Hanoi VNA June 16—A Vietnamese high-ranking military delegation, led by Defence Minister Gen. Doan Khue, arrived in Pyongyang on June 14 beginning an official visit to the democratic people's Republic of Korea (DPRK).

Prominent among those present at the welcome ceremony was Marshal O Jin U, minister of People's Armed Forces of the DPRK.

After the welcome ceremony, Marshal O Jin U cordially received and gave a banquet to the Vietnamese military delegation. During the reception, he hailed the visit of the delegation and wished it to gain fine results during the visit, thus contributing to the strengthening of the existing friendly and cooperative ties between the two countries.

For his part, Gen. Doan Khue said that he wished, through this visit, to promote the mutual understanding and friendship relations between the two countries as well as the two armies.

On June 15 a high-ranking military delegation of the DPRK led by Marshal O Jin U held talks with the Vietnamese delegation.

The two sides informed each other of the all-sided situations of the two countries and armies. Marshal O Jin U expressed his pleasure at the achievements recorded by the Vietnamese people and army in their national construction and defence. He also pointed out the determination of the Korean people and army in the cause of national construction and defence.

Speaking to his host, Gen. Doan Khue extended his pleasure at the achievements gained by the people and army of the DPRK. He also invited Marshal O Jin U to pay an official friendship visit to Vietnam. The latter accepted the invitation with pleasure.

The same day and the day after the Vietnamese delegation made tours of a number of historical and cultural establishments of Korea as well as some DPRK's army units.

Ministry Reiterates Sovereignty Over Spratlys

BK1706115194 Hong Kong AFP in English 1132 GMT
17 Jun 94

[Excerpts] Hanoi, June 17 (AFP)—Vietnam on Friday hardened its stance against China in the war of words over the South China Sea, saying Beijing had illegally given a US firm oil prospecting rights in a Vietnamese area that was not even part of the disputed Spratly Islands.

In response to Chinese accusations that Vietnam had been harassing its oil survey vessels, a Foreign Ministry statement said the area in question was entirely within Vietnam's exclusive economic zone and had been never been part of the Spratly Islands.

The statement implicitly denied any harassment of Chinese vessels, saying that Vietnam had only been carrying out legitimate survey work completely within its rights.

"China should not make declarations or carry out acts that violate Vietnam's incontestable sovereignty over this area," the statement said, adding that this would not help efforts to improve relations or secure peace in the region.

Vietnam has accused China of acting illegally by granting Crestone Energy Corp. a concession to explore in a huge swathe of the South China Sea that includes what the Vietnamese call the Tu Chinh area.

"Declarations that the Tu Chinh area lies within the maritime zone of the Spratly Islands and China's signature of an oil exploration contract with Crestone run contrary to legal principles and international conventions, in particular the 1982 Law of the Sea," the statement said.

Vietnam's parliament is expected to ratify the UN maritime law during its session this month in a move seen as boosting Hanoi's legal arsenal in the dispute. [passage omitted covered by referent item]

Both sides have repeatedly pledged to resolve the dispute over the Spratly and Paracel islands through negotiations and avoid a repetition of the brief naval clash they fought in 1988.

But stepped up oil exploration across the area and new technology that enables oil firms to drill cheaper wells in deep waters is threatening to complicate the problem.

Oil firms here have downplayed the risk of confrontation, saying that they are more concerned over whether the promising geology under the South China Sea will actually yield commercial quantities of oil and gas.

"You're not going to see gunboats out there firing at each other," said one oil executive who insisted on anonymity, adding that he thought the dispute was mostly "shadow playing."

Official Comments on Paracels, Spratlys

OW1606142994 Hanoi Voice of Vietnam in Mandarin 0830 GMT 16 Jun 94

[From the "Commentary on Current Events" program]

[Excerpts] The fifth session of the ninth National Assembly of Vietnam on 9 June heard reports delivered by President Le Duc Anh and Deputy Prime Minister Tran Duc Luong on ratification of the 1982 UN Convention on the Law of the Sea. The convention is of great significance to Vietnam's state sovereignty and economic development. [passage on history and contents of the convention omitted]

Le Minh Nghia, chairman of the Border Committee [bian jie wei yuan hui] of the Vietnamese Government, discussed the benefits of the convention to Vietnam. [passage omitted]

On Hoang Sa [Paracel] and Truong Sa [Spratly] Islands, Le Minh Nghia pointed out: Vietnam reaffirms its sovereignty over the two island groups. At the same time, it reiterates that its consistent position is to settle territorial and sovereignty disputes and other disputes on the East Sea [dong hai] through peaceful negotiation on the basis of equality, mutual understanding, mutual respect, and respect for international law, particularly the guidelines of the 1982 UN Convention on the Law of the Sea.

National Assembly Proceedings Reported

16 Jun Proceedings

BK1606151794 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 16 Jun 94

[Text] The fifth session of the Ninth National Assembly entered its 19th day today. The National Assembly devoted a whole day to debating the draft labor code for the last time and adopting the document chapter by chapter. National Assembly Vice Chairman Phung Van Tuu directed the session. On behalf of the law drafting committee, other National Assembly committees, and the secretariat of the session, Minister of Labor, War Invalids, and Social Welfare Tran Dinh Hoan presented the National Assembly deputies' suggestions on the revision of the draft labor code. On behalf of the secretariat of the session, Comrade Bui Ngoc Thanh read the draft labor code chapter by chapter for the deputies to debate any issues they deemed unclear. Minister Tran Duc Hoan immediately answered the deputies' questions.

The deputies voted on each article of the draft labor code on which there are still differing views. The National Assembly concurred with the name of the draft legal document as the labor code. At the conclusion of this afternoon's sitting, the National Assembly voted five chapters of the draft labor code for passage.

Tomorrow, the National Assembly will continue to work in the conference hall.

Communique No. 16 Issued

BK1706092194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Jun 94

[Text] The National Assembly Office issues Communique No. 16 as follows:

On 16 June, the National Assembly held a plenary session in the conference hall under the direction of National Assembly Vice Chairman Phung Van Tuu to pass the labor code. Tran Dinh Hoan, Minister of Labor, War Invalids, and Social Welfare on behalf of the Law Drafting Committee, the Investigative Committee, and the Secretariat of the National Assembly [SNA] presented a report compiling National Assembly deputies' opinions on some issues of the draft labor code. He also reported on the soliciting of National Assembly deputies' opinions for

future amendment of the labor code. Then SNA Member Bui Ngoc Thanh read the full text of the revised draft labor code for the National Assembly to discuss and approve.

Fifty-nine National Assembly deputies offered their opinions on some articles and paragraphs of the draft labor code. They are Huu Tho, Bui Huu Hai, Nguyen Xuan Thiet, and Nguyen Trong Khanh of Vinh Phu; Le Van Tam, Le Viet Duoc, and Trinh Son Mao of Thanh Hoa; Le Minh Chau, Doan Le Vuong, Pham Phu, Pham Quang Du, Nguyen Tan Phat, and Vu Tuat Viet of Ho Chi Minh City; Le Duc Binh of Ninh Binh; Trinh Hong Duong, Tran Quoc Thoai, and Tang Nghia of Ha Tinh; Nguyen Thi Hoai Thu of Tien Giang; Tran Van Phat and Pham Hung of Hai Hung; Tran Anh Kiet of Quang Ngai; Nguyen Thanh Cao and So Lay Tang of Kon Tum; Le Van Chuyen of Lai Chau; Truong Thi Khue and Nguyen Duc Hoan of Quang Tri; Tran Ninh Van and Nguyen Thiet Hung of Khanh Hoa; Nguyen Van Ninh and Ho Duc Viet of Song Be; Hoang Cong Dung and Lam Phuc Co of Yen Bai; Tran Van Nhan of Binh Dinh; Nguyen Viet Dung, Nguyen Van Nhan, Tang Van Ly, and Nguyen Thi Nhung of Ha Bac;

Nguyen Truc Luyen and Dam Van Nguy of Cao Bang; Hoang Dinh Quan and Vu Thi Ngoc Dau of Thai Binh; Nguyen Phu Cuong of Lang Son; Phung Van Thu of Ha Tay; Nguyen Duc Thang of Kien Giang; Nguyen Nhu Vy of Nghe An; Nguyen Van Tu of Dong Nai; Tran Chu Toan of Gia Lai; Hoang Minh Thang and Ha Thi Thu Suong of Quang Nam-Da Nang; Tran Quang Ngoc and Dang Khoi of Nam Ha; Tran Van Ngau and Le Thi Thanh Nien of Ben Tre; Nguyen Dinh Trung of Hanoi; Nguyen Van Thuan of Binh Thuan; Duong Tan De of Vinh Long; Nguyen Ngoc Hai of Haiphong; Vo An Bang of Dac Lac; and Nguyen Viet Hoe of Quang Ninh.

During the debate, Comrade Minister Tran Dinh Hoan, on behalf of the Law Drafting Committee, further explained some issues queried by the National Assembly deputies. The deputies voted on some articles on which there were still differing views. Then they passed the preamble and chapters one, two, three, four, and five of the Labor Code. On 17 June, the National Assembly will work in the conference hall.

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